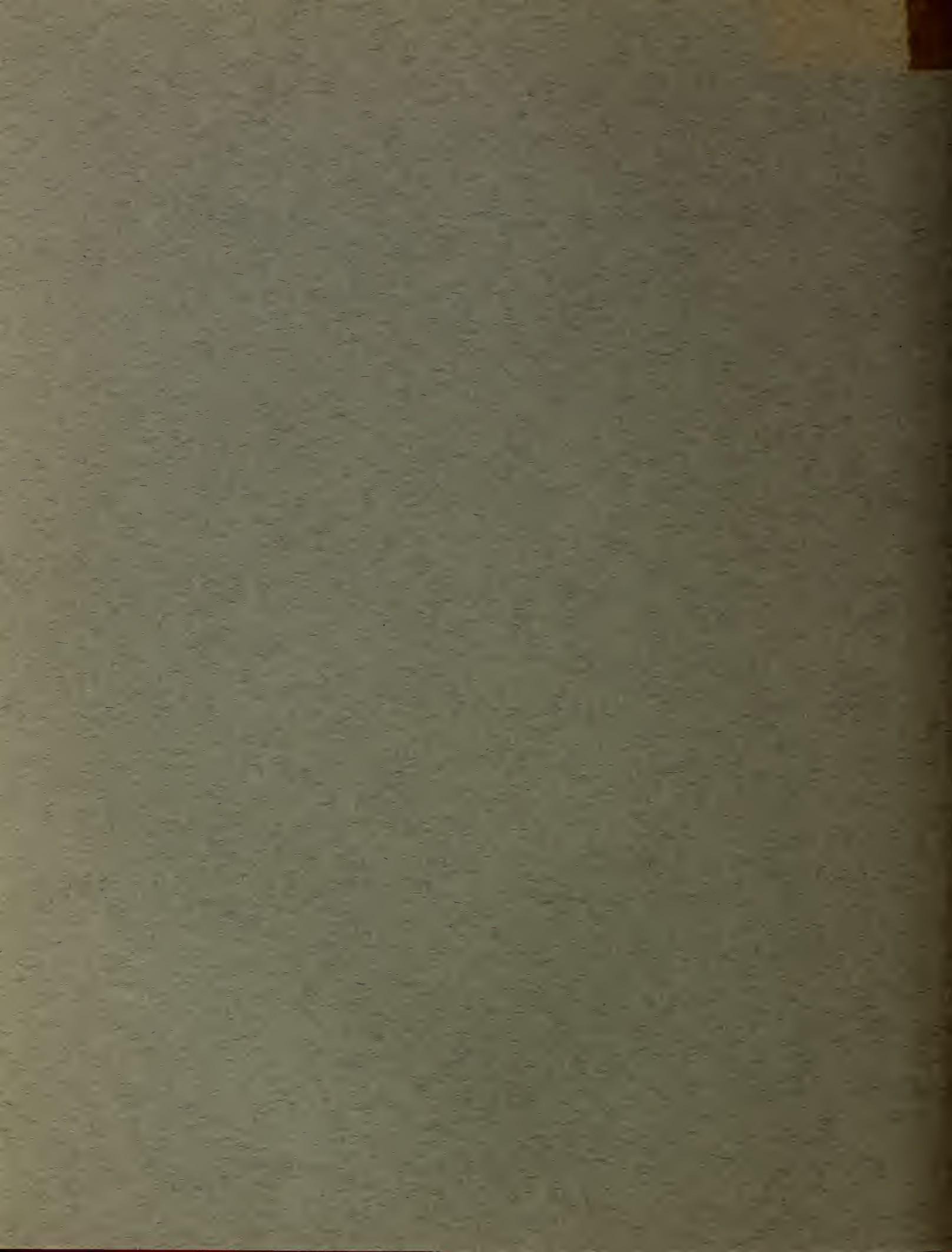


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BUDGET ESTIMATES

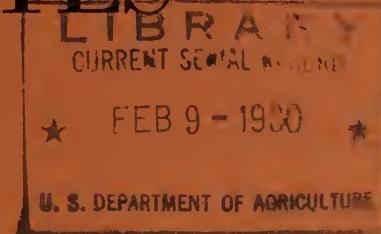
FOR THE

UNITED STATES

DEPARTMENT OF AGRICULTURE

FOR THE FISCAL YEAR ENDING

JUNE 30, 1961



A SEPARATE FROM THE BUDGET OF
THE UNITED STATES GOVERNMENT

1961

BUDGET ESTIMATES
FOR THE
UNITED STATES
DEPARTMENT OF AGRICULTURE
FOR THE FISCAL YEAR ENDING
JUNE 30, 1961

A Separate from the Budget of the United States Government
1961



UNITED STATES
GOVERNMENT PRINTING OFFICE
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INTRODUCTION TO PART I

Part I of the budget contains five summary tables. Each of these tables is designed to bring together in one or two pages some overall aspect of the Federal budget.

TYPES OF FUNDS

A basic distinction is made between Federal funds on the one hand, and trust and deposit funds on the other.

The *Federal* (Government-owned) funds are of four types as follows:

The *general* fund is credited with receipts which are not earmarked by law for a specific purpose, and is charged with expenditures that are payable from appropriations (except appropriations of earmarked receipts) and those payable from borrowing. Both in number of items and in amounts, most of the Government's business is transacted through the general fund.

Special funds are those which are established to account for receipts that are earmarked by law for a specific purpose. They exclude the funds which carry on a cycle of operations for which there is continuing authority to use the receipts (as described in the next paragraph). Some special funds are subject to annual appropriation by Congress. Others are automatically available under the laws which created the funds.

Public enterprise (revolving) funds are those which finance a cycle of operations, in which the expenditures generate receipts coming primarily from the public and available for continuing use. They include nearly all of the Government corporations, the postal fund, and various unincorporated enterprises.

Intragovernmental revolving and management funds (including *consolidated working* funds) are those which are created to facilitate financing operations within and between Government agencies. They consist of two types—*intragovernmental revolving* funds which finance a cycle of operations, like public enterprise funds but with receipts primarily from within the Government; and *management* funds which permit the pooling of advance payments from two or more appropriations to carry out certain activities.

The other funds, for which the Government serves in a fiduciary capacity, are of two types—*trust* funds and *deposit* funds. They are explained in the introduction to part III.

BUDGET RECEIPTS, EXPENDITURES, AND SURPLUS OR DEFICIT

The budget totals and the budget surplus or deficit relate only to the Federal funds, and exclude trust and deposit funds. Tables 1, 2, and 3 are therefore limited to transactions of the Federal funds.

Basis of stating budget receipts.—Table 1 includes a summary of budget receipts. Budget receipts represent the total received for the general fund and the special funds, less (a) refunds of receipts and (b) transfers to trust fund receipts in the four cases where the law provides an indefinite appropriation to a trust fund in an amount equal to certain tax receipts. Gross receipts and the deductions are itemized in special analysis B of part IV.

Internal revenue and customs receipts are stated on the basis of collections reported by collecting officers. Other receipts are reported on the basis of confirmed deposits.

Basis of stating budget expenditures.—Tables 1 and 2 include information on budget expenditures. Such expenditures cover the general fund, the special funds, the public enterprise funds, and the intragovernmental revolving and management funds. Expenditures for the public enterprise funds and for the intragovernmental funds are included in the totals on a *net* basis—that is, their collections are deducted from gross expenditures and the results are the net expenditures. Interagency payments and reimbursements to appropriations are also netted; that is, to avoid double counting they are treated only as expenditures of the agency whose appropriation or fund is ultimately bearing the charge. Some incidental reimbursements from outside the Government to appropriations are similarly netted out of expenditure figures.

Under the *checks-issued* basis which is used, expenditures are reported for the fiscal year in which the checks are issued, regardless of when the obligation was incurred or when the goods and services were received. Modifications in this basis are made as follows: (a) Where payment is made in cash instead of by check, the cash payment is an expenditure; (b) where payment is made by the issuance of bonds or by an increase in their redemption value, instead of by the issuance of checks, such an issuance or increase is an expenditure; and (c) interest on the public debt, other than increases in the redemption values of savings bonds, is reported on an accrual basis.

Debt and investment transactions.—Receipts never include money obtained from borrowing by any type of Federal fund. Nor are borrowings considered as a deduction in arriving at budget expenditures. Similarly, retirement of debt is always excluded from budget expenditure figures of all types of Federal funds. The purchase of U.S. Government securities, and redemptions or sales thereof, are also excluded from expenditure and receipt figures.

Eliminations from both receipts and expenditures.—Certain transfers from one fund to another are eliminated from budget receipts and expenditures. This is done to avoid inflating both sides of the budget. Payments to the general fund of earnings and dividends on capital of revolving funds, and the return of such capital to the general fund are the items so excluded, and reported in special analysis F of part IV. However, interest paid to Treasury by such funds is considered a cost of the fund and has not been eliminated.

Budget surplus or deficit.—The budget surplus or deficit shown in table 1 represents the difference between the *budget receipts* and *budget expenditures* of a given year. Cash balances, appropriation balances, and surpluses and deficits of previous years are not a part of the calculation.

NEW OBLIGATIONAL AUTHORITY

Table 3 summarizes the new obligational authority—the total of authority becoming available in a given fiscal year for entering into new obligations.

The obligation basis.—Expenditures can be made only pursuant to appropriations or other specific authority

granted by Congress. Government agencies are generally permitted by law to incur obligations requiring the future payment of money only when they have an appropriation or other specific authority to do so. Congressional action on the budget must therefore include authority to cover *obligations* expected to be incurred within the fiscal year, rather than to cover only the *expenditures* which are expected to be made during that year in payment of obligations.

Types of new obligational authority.—There are three basic types of new obligational authority: Appropriations, contract authorizations, and authorizations to expend from debt receipts. In addition, there are sometimes reappropriations and reauthorizations.

Appropriations are authorizations to make expenditures from the general fund of the Treasury or from the various special funds. In some cases the authority to incur obligations has previously been granted in the form of contract authorizations; in such cases, the appropriation to permit the payment of such obligations is said to be to *liquidate contract authorizations* and it is not a part of new obligational authority. In all other cases appropriations confer authority both to incur new obligations and to pay for them.

Contract authorizations are authorizations to incur obligations prior to the enactment of an appropriation. A contract authorization does not in itself permit the spending of money; hence it must be followed by an appropriation to permit payment of the contracts and other obligations thus incurred.

Authorizations to expend from debt receipts are authorizations to incur obligations and make expenditures from borrowed money. Such authorizations may take these forms: (a) Authorizations for the Treasury to make public debt receipts available to a given agency or enterprise, often in exchange for notes of the enterprise; (b) authorizations for a Government-owned corporation to borrow directly from the public; and (c) cancellation of notes which have been issued by a Government enterprise and are held by the Treasury, where the cancellation has the effect of permitting further expenditures to be made (through restoring previously used authority to borrow from the Treasury).

Reappropriations and *reauthorizations* are actions to continue available part or all of the unused balances of prior appropriations or authorizations which would otherwise expire. When the authorizations thus continued had been previously granted for current operations of the year, the continuation of their availability into a new year constitutes new obligational authority.

Distinction between permanent and current authorizations.—Some new obligational authority is *permanent*, but most is *current*. The permanent items are those under which additional sums become available from time to time under action previously taken by the Congress; no further action is required each year. Most permanent authorizations are in force until repealed; a few are in effect for only a few years as specified in the law. The current authorizations are those enacted by Congress in or immediately preceding each fiscal year.

PROPOSED FOR LATER TRANSMISSION

Tables 1, 2, and 3 identify in separate columns the portion of receipts, new obligational authority, and expenditures which are anticipated under supplemental budget items, not provided for in the appropriation text in this budget, but planned for formal transmittal to the

Congress later. Such estimates include, in addition to the various items which are identified in part II, an "allowance for contingencies" to cover items which cannot be foreseen now but which may be transmitted later if the need arises. Congressional action upon this allowance may be requested later, not at a single time nor as a single lump-sum item, but in the form of a number of specific appropriations for individual items.

As a general rule, where legislation is proposed to extend or renew the authorization for current programs, this budget includes, in part II, recommendations for the necessary new obligational authority in the form of detailed estimates ready for congressional consideration when action on the authorizing legislation will allow. This is a change from previous budgets where forecasts of the amounts needed for such legislation were identified in lump sum as "Proposed for later transmission, under proposed legislation" (followed by transmittal later of the detailed estimates).

EFFECT ON THE DEBT

Table 4 gives details regarding the effect of each year's operations upon the public debt. The budget surplus or deficit is not the only factor which causes a change in the public debt. The amount necessary to borrow or available to repay is also influenced by: Changes in cash balances; the result of trust fund transactions; the use of borrowing directly from the public (not Treasury borrowing) as a means of financing budget expenditures of certain enterprises (and the repayments of such borrowing as an application of public enterprise fund receipts); and the change in the amount of checks outstanding and other items in process of clearance through the accounts.

CONSOLIDATED STATEMENT

Table 5 brings together the total financial plan for the Government—the budget figures for Federal funds and the estimates for trust and deposit funds—for 1961; and it presents a consolidated statement of receipts from and payments to the public. The statement not only eliminates interfund payments, but also brings in transactions of certain Government-sponsored enterprises which are not otherwise reflected in the budget, converts to a cash basis those expenditures which are made in the form of debt issuances (or increases in the redemption value of debt), and eliminates noncash receipts resulting from seigniorage. Details and further explanations are given in special analysis A of part IV.

CLASSIFICATIONS

Receipts are classified in tables 1 and 5 by *source*, a classification which is set forth in detail in special analysis B of part IV.

Expenditures and new obligational authority are classified in two ways in the part I tables. A classification by *function*, used in tables 1 and 5 and the first part of table 3, groups transactions according to broad governmental purposes; subcategories of this classification as applied to Federal funds are set forth in special analysis C. A classification by *agency*, used in table 2 and the second part of table 3, shows transactions by major organizational units of the Government, with most agencies that are independent of the ten executive departments being grouped together. The main entries in this classification correspond to "chapters" in part II of the budget and to the way in which part III is organized.

TABLE 1
SUMMARY OF BUDGET RECEIPTS AND EXPENDITURES
Based on existing and proposed legislation
[In millions]

| Description | 1959 actual | 1960 estimate | | | 1961 estimate | | |
|--|-------------|---|---------------------------------|----------|---|---------------------------------|----------|
| | | Under existing laws and authorizations enacted or recommended | Proposed for later transmission | Total | Under existing laws and authorizations enacted or recommended | Proposed for later transmission | Total |
| BUDGET RECEIPTS (special analysis B): | | | | | | | |
| Individual income taxes | \$36,719 | \$40,306 | ----- | \$40,306 | \$43,706 | ----- | \$43,706 |
| Corporation income taxes | 17,309 | 22,200 | ----- | 22,200 | 22,300 | \$1,200 | 23,500 |
| Excise taxes | 8,504 | 9,100 | ----- | 9,100 | 7,891 | 1,632 | 9,523 |
| Employment taxes | 321 | 333 | ----- | 333 | 340 | ----- | 340 |
| Estate and gift taxes | 1,333 | 1,470 | ----- | 1,470 | 1,620 | ----- | 1,620 |
| Customs | 925 | 1,176 | ----- | 1,176 | 1,376 | ----- | 1,376 |
| Miscellaneous budget receipts | 3,160 | 4,015 | ----- | 4,015 | 3,923 | 12 | 3,935 |
| Budget receipts | 68,270 | 78,600 | ----- | 78,600 | 81,156 | 2,844 | 84,000 |
| BUDGET EXPENDITURES (special analysis C): | | | | | | | |
| Major national security | 46,426 | 45,627 | \$23 | 45,650 | 45,544 | 24 | 45,568 |
| International affairs and finance | 3,780 | 2,058 | 7 | 2,066 | 2,180 | 62 | 2,242 |
| Veterans services and benefits | 5,174 | 5,043 | 114 | 5,157 | 5,471 | ----- | 5,471 |
| Labor and welfare | 4,421 | 4,424 | 17 | 4,441 | 4,563 | 6 | 4,569 |
| Agriculture and agricultural resources | 6,529 | 5,111 | 2 | 5,113 | 4,906 | 717 | 5,623 |
| Natural resources | 1,669 | 1,759 | 26 | 1,785 | 1,933 | 5 | 1,938 |
| Commerce and housing | 3,421 | 2,896 | 107 | 3,002 | 3,262 | 1—553 | 2,709 |
| General government | 1,606 | 1,704 | 7 | 1,711 | 1,911 | (²) | 1,911 |
| Interest | 7,671 | 9,385 | ----- | 9,385 | 9,585 | ----- | 9,585 |
| Allowance for contingencies | | | 75 | 75 | ----- | 200 | 200 |
| Budget expenditures | 80,697 | 78,005 | 378 | 78,383 | 79,354 | 461 | 79,816 |
| Budget surplus (+) or deficit (-) | -12,427 | ----- | ----- | +217 | ----- | ----- | +4,184 |

¹ Includes proposed postal rate increases of \$554 million.

² Less than one-half million dollars.

TABLE 2
SUMMARY OF BUDGET EXPENDITURES
BY AGENCY
[In millions]

| Description | 1959 actual | 1960 estimate | | | 1961 estimate | | |
|---|-------------|--------------------------------------|---------------------------------|--------|--|---------------------------------|--------|
| | | Under authorizations already enacted | Proposed for later transmission | Total | Under authorizations enacted or recommended in this document | Proposed for later transmission | Total |
| Legislative branch | \$118 | \$135 | | \$135 | \$162 | | \$162 |
| The judiciary | 47 | 48 | \$1 | 49 | 52 | | 52 |
| Executive Office of the President | 56 | 64 | 2 | 67 | 78 | \$1 | 79 |
| Funds appropriated to the President: | | | | | | | |
| Mutual security—economic | 1,524 | 1,550 | | 1,550 | 1,700 | | 1,700 |
| Other | 252 | 198 | | 198 | 114 | | 114 |
| Independent offices: | | | | | | | |
| Atomic Energy Commission | 2,541 | 2,675 | | 2,675 | 2,689 | | 2,689 |
| National Aeronautics and Space Administration | 145 | 322 | 3 | 325 | 585 | 15 | 600 |
| Veterans Administration | 5,232 | 5,253 | 114 | 5,367 | 5,446 | | 5,446 |
| Other | 1,397 | 1,114 | 12 | 1,125 | 1,470 | -23 | 1,446 |
| General Services Administration | 359 | 424 | 6 | 430 | 458 | | 458 |
| Housing and Home Finance Agency | 1,152 | 303 | 58 | 361 | 497 | 3 | 500 |
| Department of Agriculture | 7,091 | 5,686 | 20 | 5,706 | 5,481 | 720 | 6,201 |
| Department of Commerce | 382 | 512 | 32 | 544 | 463 | 10 | 473 |
| Department of Defense—Military | 43,573 | 42,722 | 23 | 42,745 | 42,721 | 24 | 42,745 |
| Department of Defense—Civil | 807 | 904 | 3 | 907 | 972 | (1) | 972 |
| Department of Health, Education, and Welfare | 3,092 | 3,402 | 15 | 3,417 | 3,511 | 5 | 3,517 |
| Department of the Interior | 751 | 739 | 5 | 744 | 807 | 2 | 809 |
| Department of Justice | 250 | 259 | (1) | 259 | 271 | (1) | 271 |
| Department of Labor | 1,016 | 543 | 1 | 544 | 539 | (1) | 540 |
| Post Office Department | 774 | 604 | | 604 | 603 | -554 | 49 |
| Department of State | 264 | 230 | 7 | 238 | 234 | 58 | 292 |
| Treasury Department | 9,841 | 10,284 | (1) | 10,284 | 10,452 | (1) | 10,452 |
| District of Columbia | 31 | 34 | | 34 | 48 | | 48 |
| Allowance for contingencies | | | 75 | 75 | | 200 | 200 |
| Budget expenditures | 80,697 | 78,005 | 378 | 78,383 | 79,354 | 461 | 79,816 |

¹ Less than one-half million dollars.

TABLE 3
SUMMARY OF NEW OBLIGATIONAL AUTHORITY
BY FUNCTION AND AGENCY

Based on existing and proposed legislation

[In millions]

| Description | 1959 enacted | 1960 estimate | | | 1961 estimate | | |
|--|---------------|---------------|---------------------------------|---------------|------------------------------|---------------------------------|---------------|
| | | Enacted | Proposed for later transmission | Total | Recommended in this document | Proposed for later transmission | Total |
| BY FUNCTION | | | | | | | |
| Major national security----- | \$45,517 | \$44,724 | \$25 | \$44,749 | \$45,258 | \$24 | \$45,282 |
| International affairs and finance----- | 6,982 | 2,647 | ³ 49 | 2,697 | 2,666 | 49 | 2,715 |
| Veterans services and benefits----- | 5,125 | 5,062 | 114 | 5,176 | 5,476 | ----- | 5,476 |
| Labor and welfare----- | 4,182 | 4,521 | 22 | 4,543 | 4,538 | ----- | 4,538 |
| Agriculture and agricultural resources----- | 5,421 | 4,396 | ³ 704 | 5,099 | 4,538 | 32 | 4,570 |
| Natural resources----- | 1,742 | 2,506 | 32 | 2,538 | 1,836 | ----- | 1,836 |
| Commerce and housing----- | 2,929 | 3,718 | 71 | 3,789 | 3,701 | ² -497 | 3,204 |
| General government----- | 1,795 | 1,637 | 7 | 1,645 | 1,910 | (1) | 1,910 |
| Interest----- | 7,671 | 9,385 | ----- | 9,385 | 9,585 | ----- | 9,585 |
| Allowance for contingencies----- | | | 100 | 100 | ----- | 300 | 300 |
| Total new obligational authority----- | 81,365 | 78,596 | 1,125 | 79,721 | 79,507 | -92 | 79,415 |
| BY AGENCY | | | | | | | |
| Legislative branch----- | 120 | 115 | ----- | 115 | 116 | ----- | 116 |
| The judiciary----- | 48 | 48 | 1 | 49 | 53 | ----- | 53 |
| Executive Office of the President----- | 55 | 63 | 3 | 66 | 87 | ----- | 87 |
| Funds appropriated to the President: | | | | | | | |
| Mutual security—economic----- | 1,933 | 1,926 | ----- | 1,926 | 2,175 | ----- | 2,175 |
| Other----- | 121 | 18 | ----- | 18 | 16 | ----- | 16 |
| Independent offices: | | | | | | | |
| Atomic Energy Commission----- | 2,723 | 2,802 | ----- | 2,802 | 2,666 | ----- | 2,666 |
| National Aeronautics and Space Administration----- | 305 | 501 | 23 | 524 | 802 | ----- | 802 |
| Veterans Administration----- | 5,221 | 5,293 | 114 | 5,407 | 5,465 | ----- | 5,465 |
| Other----- | 1,312 | 2,027 | ³ 6 | 2,033 | 1,468 | (1) | 1,468 |
| General Services Administration----- | 497 | 278 | 6 | 284 | 508 | ----- | 508 |
| Housing and Home Finance Agency----- | 258 | 780 | 13 | 793 | 652 | ----- | 652 |
| Department of Agriculture----- | 5,926 | 4,908 | ³ 725 | 5,633 | 5,049 | 32 | 5,081 |
| Department of Commerce----- | 471 | 547 | 32 | 579 | 506 | 57 | 563 |
| Department of Defense—Military----- | 42,683 | 41,922 | 25 | 41,947 | 42,553 | 24 | 42,577 |
| Department of Defense—Civil----- | 867 | 924 | 3 | 927 | 978 | ----- | 978 |
| Department of Health, Education, and Welfare----- | 3,255 | 3,466 | 21 | 3,487 | 3,431 | ----- | 3,431 |
| Department of the Interior----- | 791 | 746 | 7 | 753 | 771 | ----- | 771 |
| Department of Justice----- | 253 | 266 | (1) | 266 | 281 | ----- | 281 |
| Department of Labor----- | 597 | 549 | 1 | 550 | 555 | ----- | 555 |
| Post Office Department----- | 625 | 656 | ----- | 656 | 603 | ² -554 | 49 |
| Department of State----- | 245 | 222 | ³ 45 | 266 | 250 | 49 | 299 |
| Treasury Department----- | 13,024 | 10,476 | (1) | 10,476 | 10,469 | ----- | 10,469 |
| District of Columbia----- | 33 | 62 | ----- | 62 | 53 | ----- | 53 |
| Allowance for contingencies----- | | | 100 | 100 | ----- | 300 | 300 |
| Total new obligational authority----- | 81,365 | 78,596 | 1,125 | 79,721 | 79,507 | -92 | 79,415 |

¹ Less than one-half million dollars.

² Includes proposed postal rate increases of \$554 million.

³ Includes amounts for special foreign currency programs recommended in this document.

TABLE 4
SUMMARY OF CHANGES IN STATUS OF PUBLIC DEBT
[In millions]

| Description | 1959 actual | 1960 estimate | 1961 estimate |
|---|----------------------|---------------|---------------|
| EFFECT OF OPERATIONS ON CASH BALANCES AND PUBLIC DEBT | | | |
| Effect of operations on cash balances: | | | |
| Budget surplus or deficit (-)----- | -\$12,427 | \$217 | \$4,184 |
| Trust fund operations, increase or decrease (-) in cash balances (table 10)----- | -230 | -42 | 300 |
| Public enterprise debt and investment transactions, net (special analysis F)----- | -99 | -156 | -79 |
| Increase or decrease (-) in outstanding checks, deposits in transit, and similar items----- | -29 | 99 | 95 |
| Total effect of operations on cash balances----- | -12,785 | 118 | 4,500 |
| Cash balances at start of year: | | | |
| In Treasury----- | 9,749 | 5,350 | 5,350 |
| Outside Treasury----- | 1,011 | 988 | 900 |
| Cash position resulting from operations----- | -2,025 | 6,456 | 10,750 |
| Less cash balances at close of year: | | | |
| In Treasury----- | 5,350 | 5,350 | 5,350 |
| Outside Treasury----- | 988 | 900 | 900 |
| Increase (-) or decrease in public debt----- | -8,363 | 206 | 4,500 |
| Public debt at start of year----- | \$276,343 | \$284,706 | \$284,500 |
| Increase or decrease (-) in public debt----- | 8,363 | -206 | -4,500 |
| Public debt at close of year----- | 284,706 | 284,500 | 280,000 |
| COMPARISON OF PUBLIC DEBT WITH STATUTORY LIMITATION | | | |
| Public debt at close of year----- | \$284,706 | \$284,500 | \$280,000 |
| Plus guaranteed obligations of Government agencies not owned by Treasury----- | 111 | 116 | 107 |
| Less debt not subject to statutory limitation----- | 418 | 400 | 350 |
| Debt subject to statutory limitation----- | 284,398 | 284,216 | 279,757 |
| Statutory limitation on debt at close of year----- | ¹ 290,000 | 295,000 | 285,000 |
| Maximum statutory limitation on debt during year----- | ¹ 290,000 | 295,000 | (?) |

¹ Effective on June 30, 1959, only, otherwise during year the statutory limitation was \$288,000 million.

² Increase to be recommended as indicated in the budget message.

THE BUDGET FOR FISCAL YEAR 1961

TABLE 5

SUMMARY OF BUDGET AND TRUST TRANSACTIONS FOR FISCAL YEAR 1961

Based on existing and proposed legislation

[In millions]

| Description | Budget funds (table 1) | Trust funds (table 10) | Interfund and other items (special analysis A) | Consolidated (special analysis A) |
|--|------------------------|------------------------|--|-----------------------------------|
| RECEIPTS | | | | |
| Individual income taxes----- | \$43,706 | | | \$43,706 |
| Corporation income taxes----- | 23,500 | | | 23,500 |
| Excise taxes----- | 9,523 | \$2,950 | | 12,473 |
| Employment taxes----- | 340 | 12,325 | | 12,665 |
| Estate and gift taxes----- | 1,620 | | | 1,620 |
| Customs----- | 1,376 | | | 1,376 |
| Miscellaneous budget and trust receipts----- | 3,935 | 7,272 | -\$4,369 | 6,837 |
| Total receipts----- | 84,000 | 22,547 | -4,369 | 102,178 |
| EXPENDITURES | | | | |
| Major national security----- | 45,568 | 333 | -3 | 45,898 |
| International affairs and finance----- | 2,242 | 14 | -64 | 2,192 |
| Veterans services and benefits----- | 5,471 | 664 | -10 | 6,125 |
| Labor and welfare----- | 4,569 | 16,159 | -447 | 20,281 |
| Agriculture and agricultural resources----- | 5,623 | 18 | -165 | 5,475 |
| Natural resources----- | 1,938 | 36 | -3 | 1,970 |
| Commerce and housing----- | 2,709 | 3,723 | -868 | 5,565 |
| General government----- | 1,911 | 443 | -61 | 2,293 |
| Interest----- | 9,585 | (¹) | -1,627 | 7,958 |
| Allowance for contingencies----- | 200 | | | 200 |
| Undistributed----- | | -111 | -1,589 | -1,700 |
| Total expenditures----- | 79,816 | 21,278 | -4,837 | 96,257 |
| Excess of receipts over expenditures----- | 4,184 | 1,269 | 468 | 5,921 |

¹ Less than one-half million dollars.

INTRODUCTION TO PART II

Part II contains the details of the budget for Federal funds, including various types of tables and schedules, explanatory statements of the work to be performed and the money needed, and the text of the language proposed for enactment by Congress on each item of authorization. Included herein is also material on a few trust funds which require congressional action.

This part of the budget begins with 4 statements (tables 6 through 9) which supplement the tables of part I. The remainder of part II is arranged in chapters reflecting the organization of the Government.

Each chapter begins with a summary narrative statement and certain summary tables. These are followed by detailed material for each appropriation or fund.

SUMMARY TABLES AND THEIR CONTENTS

SUMMARIES OF AUTHORIZATIONS AND EXPENDITURES

Listing of accounts.—A principal table for each chapter shows the new obligational authority and budget expenditures by appropriation or fund account. The listing is arranged by bureau or comparable organization unit and, for each such unit, is divided into several sections: Current authorizations (other than for public enterprise and intragovernmental funds), permanent authorizations, public enterprise and intragovernmental funds, and supplemental items proposed for later transmission.

Authorizations by type.—Forms of new obligational authority other than appropriations are set forth under the applicable account titles, identified by separate line entries. A recapitulation at the end of the account listing shows the authorizations divided between current and permanent and classified by type. In this recapitulation new obligational authority for public enterprise and intragovernmental funds is classified with other authority of the same type. The figures are carried forward into a governmentwide summary in table 7.

Classification by function.—Functional code numbers appear in a separate column of the chapter listings, indicating the category in the functional table (special analysis C of part IV) where each item has been included.

Transactions of public enterprise funds.—An appended table in each chapter is used for public enterprise funds. It shows the gross expenditures, the receipts from operations, and the budget expenditures (the difference between the two other figures). The figures for gross expenditures and for receipts are derived from the detailed business-type budget statements, which show expenditures and receipts on an accrual basis with a single adjustment (on either the expenditure or receipt side but not both) for the conversion from an accrual to a checks-issued basis (net). The figures from the chapters are totaled in table 9.

SUMMARIES OF BALANCES CARRIED FORWARD

An analysis of unexpended balances for each chapter shows the balances of budget authorizations carried forward at start and end of the past, current, and budget years. These balances are summarized in table 8.

Many budget authorizations are available for obligation for only 1 year, but some are available for longer periods of time or without time limit. In the case of those which are for a specific period of time, unobligated balances are written off at the end of that time, but obligated balances remain available indefinitely to pay outstanding obligations lawfully incurred.

In the case of salaries and wages, travel, and like items, the lag between obligations and expenditures is usually no more than a few weeks or a few months. In the case of construction, major procurement, certain research contracts and similar items, the lag between obligations and expenditures may be 1 or 2 years or even longer.

Balances are not in the form of cash, but are book-

keeping authority for the incurring of obligations or for the making of expenditures. Cash must be provided at the time the expenditures occur.

The unobligated balance for each account or fund represents the difference between the unexpended balance and the net obligations outstanding. Net obligations outstanding represent the unpaid obligations (both those which have accrued into liabilities and those which are undelivered or unperformed) less the accounts receivable and intragovernmental orders for services or material which have been accepted but have not yet become receivables.

RELATIONSHIP OF TRANSACTIONS AND BALANCES

The total amount available—new obligational authority plus balances brought forward and adjustments—is shown on the last of the chapter summary tables, together with the expenditures and other disposition made of the amounts available. The body of the table is arranged to "flow" from start to end of the year; obligations incurred, net, are shown for reference at the end.

Similar information, but arranged to place obligations incurred within the sequence of the table's flow, is summarized for the Government as a whole in table 6.

Writeoffs, restorations, and other adjustments in availability.—Writeoffs of unused balances of authorizations occur in four ways: (a) rescissions by act of Congress; (b) the automatic lapsing of unobligated balances when an appropriation expires for purposes of obligation; (c) the return of capital and transfer of dividends from revolving funds to the general fund; and (d) adjustments in the obligated balances of expired accounts due to the payment of obligations in smaller amounts than anticipated or to the amendment or canceling of obligations.

Restorations of balances previously written off occur in the case of expired accounts when the balances left for payment of old obligations are insufficient to cover them, due to payments in larger amounts than anticipated, the amendment of obligations, or the discovery of previously unrecorded items.

Obligations incurred, net.—The obligations incurred are stated on a gross basis in the detailed schedules, but are summarized on a net basis, consistent with the method of stating budget expenditures and new obligational authority. Thus, the summary figures are based on total obligations incurred less reimbursements to appropriation accounts, revenues and other receipts of revolving funds, and recoveries of prior obligations.

Authority for expenditures.—Expenditures for the budget year are broken down on two tables in each chapter summary into those coming out of new obligational authority of the same year and those coming out of balances, etc. It is generally assumed that prior year balances available in commingled accounts will be obligated before the new authorizations are obligated, and that expenditures will reflect the liquidation of those obligations on the basis of previous experience.

FORM OF DETAILED MATERIAL

For each appropriation, the budget includes certain detailed material, as follows: (1) appropriation language, if applicable; (2) a schedule of program and financing; (3) a narrative statement on program and performance; (4) a schedule of object classification. An exception occurs in the case of certain permanent appropriations and other older appropriation accounts on which only a residual balance remains; such accounts of a bureau or independent agency are often combined into a single presentation instead of having detailed schedules. In cases where the total obligations fall in a single object class, the object classification is identified in the program and financing schedule, rather than in a separate schedule.

In the case of revolving funds, there is usually the material listed above, together with three additional schedules, covering (5) the sources and application of funds; (6) revenue, expense, and retained earnings; and (7) financial condition. For some intragovernmental revolving funds the program and financing schedule is omitted.

APPROPRIATION LANGUAGE

The language proposed for inclusion in the 1961 appropriation acts is printed at the head of each item requiring action by Congress, except for those items which are not formally recommended at this time but will be proposed for later transmission. The language of the 1960 appropriation acts is used as a base. Following the language are citations to relevant laws and the appropriation act from which the text is taken, as in this example:

ESTABLISHMENT OF METEOROLOGICAL FACILITIES

For an additional amount for the acquisition, establishment, and relocation of [meteorological] operational facilities and related equipment, including the alteration and modernization of existing facilities: [\$2,500,000] \$7,000,000, to remain available until June 30, [1962] 1963: Provided, That the appropriations heretofore granted under this head shall be merged with this appropriation. (15 U.S.C. 311, 313, 313a, 317, 325, 328; 72 Stat. 783; Department of Commerce and Related Agencies Appropriation Act, 1960.)

Roman type shows the text used in the 1960 appropriation acts. Italic type indicates proposed new language. Brackets enclose material which it is proposed to omit.

SCHEDULE OF PROGRAM AND FINANCING

This schedule consists of two parts. In the section for program by activities, obligations are classified by purpose, program, or project. This classification, especially tailored for each agency and account, reflects the particular duties and responsibilities for which the money is used. The financing section shows the appropriation provided and other means of financing the program, and the disposition of amounts not used during the year. Only three of the possible entries are illustrated here:

Program and Financing

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|-------------|---------------|---------------|
| Program by activities: | | | |
| 1. Upper air observational facilities..... | \$55,726 | \$1,470,500 | \$933,100 |
| 2. Weather surveillance radar..... | 188,785 | 910,100 | 638,400 |
| 3. Surface observational facilities..... | 67,783 | 204,100 | 3,137,700 |
| 4. Construction, remote localities..... | 265,653 | 170,000 | 245,000 |
| 5. Engineering and technical support..... | 146,793 | 157,300 | 352,100 |
| Total obligations..... | 724,740 | 2,912,000 | 5,306,300 |
| Financing: | | | |
| Comparative transfers to other accounts..... | 1,300,000 | | |
| Unobligated balance brought forward..... | -1,369,360 | -919,620 | -507,620 |
| Unobligated balance carried forward..... | 919,620 | 507,620 | 2,201,320 |
| Appropriation (new obligational authority)..... | 1,575,000 | 2,500,000 | 7,000,000 |

Obligations refer to orders placed, contracts awarded, loan agreements made, and services received during the

year, regardless of the time of payment. Appropriations or other obligational authority must be provided by the Congress before obligations can be incurred.

Where the data are available in the accounting system, cost-type budgets are presented. In such cases, figures opposite the activity entries are the value of goods and services consumed in carrying out the program, in the case of operating costs; and they are the value of capital assets received, in the case of capital outlay programs. The program portion of a cost-type budget looks like this:

| Program by activities: | | | |
|---|---------------|---------------|---------------|
| 1. Community program payments: | | | |
| (a) Direct purchases..... | \$125,568,387 | \$105,503,400 | \$105,503,400 |
| (b) Diversion payments..... | 7,890,384 | | |
| 2. Surplus removal operating expenses..... | 2,372,871 | 2,646,600 | 2,646,600 |
| 3. Marketing agreements and orders..... | 1,762,470 | 1,850,000 | 1,850,000 |
| Total program costs..... | 137,564,112 | 110,000,000 | 110,000,000 |
| 4. Relation of costs to obligations: Costs financed from obligations of other years, net (-)..... | -16,139,858 | | |
| Total program (obligations)..... | 121,424,254 | 110,000,000 | 110,000,000 |

¹ Includes capital outlay as follows: June 30, 1959, \$38,073; 1960, \$30,000; 1961, \$50,000.

In those cases where the program is principally for procurement or public works, additional columns are often shown to make a more complete presentation. Where there is an accrued expenditure limitation there are additional entries to show the relation of costs to accrued expenditures and the relation of accrued expenditures to obligations. The financing section of a cost-type budget schedule is the same as for any other schedule.

The relation of costs to obligations is summarized in one or two lines on this schedule, but is amplified further in an additional table inserted in the narrative statement which follows. A typical table is as follows:

| | 1958 actual | 1959 actual | 1960 estimate | 1961 estimate |
|---|----------------|----------------|------------------|------------------|
| Selected resources at end of year: Inventories and items on order: Stores (goods unconsumed by projects)..... | | | \$1,535,699 | |
| Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)..... | \$23,738,918 | 5,550,525 | \$7,086,224 | \$7,086,224 |
| Total selected resources at end of year..... | 23,738,918 | 7,086,224 | 7,086,224 | 7,086,224 |
| Selected resources at start of year (-)..... | -23,738,918 | -7,086,224 | -7,086,224 | -7,086,224 |
| Adjustment of prior year costs and selected resources reported at start of year..... | | 512,836 | | |
| Costs financed from obligations of other years, net (-)..... | | -16,139,858 | | |

NARRATIVE STATEMENT OF PROGRAM AND PERFORMANCE

The work planned and services proposed to be carried out are described briefly in a narrative statement for each appropriation or fund. Where practicable the narrative statement indicates the expected accomplishment in relation to the financial estimates, and it gives some measures of program and performance. Numbers and program headings in the statements agree with the categories in the statement of program by activities.

SCHEDULE OF OBJECT CLASSIFICATION

There is shown for each account a summary of personal services and a classification of obligations, costs, or accrued expenditures according to a uniform list of objects.

The object classes, 01 to 16, reflect the nature of the things or services purchased, regardless of the purpose or the nature of the program for which they are used.

Permanent positions are those of a full-time nature which are of indefinite duration. Some are filled by persons with temporary appointments. The "number of employees at end of year" represents the number of (a) full-time and regularly scheduled part-time employees in

pay status on the last work day in June, and (b) intermittent employees who work at any time during June. This is the basis for reports of the Civil Service Commission.

Object Classification

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|-------------|---------------|-------------------------|
| Total number of permanent positions..... | 23 | 15 | 35 |
| Full-time equivalent of all other positions..... | | | |
| Average number of all employees..... | 15 | 15 | 30 |
| Number of employees at end of year..... | 15 | 15 | 35 |
| Average GS grade and salary..... | 8.0 | \$6,172 | 8.1 \$6,278 8.1 \$6,321 |
| 01 Personal services: | | | |
| Permanent positions..... | \$102,801 | \$112,900 | \$211,800 |
| Positions other than permanent..... | | | |
| Other personal services..... | 4,083 | 4,400 | 6,700 |
| Total personal services..... | 106,884 | 117,300 | 218,500 |
| 02 Travel..... | 35,211 | 32,000 | 42,200 |
| 03 Transportation of things..... | 59,686 | 108,600 | 114,500 |
| 04 Communication services..... | | | |
| 05 Rents and utility services..... | 6,149 | | 4,200 |
| 06 Printing and reproduction..... | | | |
| 07 Other contractual services..... | 88,821 | 481,900 | 263,000 |
| Services performed by other agencies..... | | | |
| 08 Supplies and materials..... | 43,816 | 109,200 | 104,600 |
| 09 Equipment..... | 231,466 | 1,696,300 | 4,173,300 |
| 10 Lands and structures..... | 146,307 | 358,900 | 371,900 |
| 11 Grants, subsidies, and contributions..... | | | |
| 12 Pensions, annuities, and insurance claims..... | 6,403 | 7,800 | 14,100 |
| 13 Refunds, awards, and indemnities..... | | | |
| 14 Interest..... | | | |
| 15 Taxes and assessments..... | | 11 | |
| 16 Investments and loans..... | | | |
| Total obligations..... | 724,740 | 2,912,000 | 5,306,300 |

Average grades and salaries are computed arithmetically. Thus the average salary sometimes falls outside the salary range of the average grade.

STATEMENT OF SOURCES AND APPLICATION OF FUNDS

For all revolving funds, there is shown a presentation of funds applied and provided, other than the investment of Government capital in the fund, net borrowings, and the repayment of capital and dividends.

The statement generally reflects receipts and expenditures on an accrual basis; an adjustment is made for changes in selected working capital (current assets, other than cash and inventories for sale or manufacture, less current liabilities) in either section of the statement as appropriate. Because of such an adjustment, the gross expenditures shown on the statement, less the receipts from operations, equal budget expenditures on a checks-issued basis, as in the following example:

Sources and Application of Funds (Operations)

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|-------------|---------------|---------------|
| Gross expenditures (funds applied): | | | |
| Acquisition of equipment..... | \$44,082 | \$42,500 | \$22,000 |
| Expense, excluding depreciation..... | 506,601 | 521,500 | \$43,000 |
| Increase in selected working capital..... | 3,054 | | |
| Total gross expenditures..... | 553,737 | 564,000 | 555,000 |
| Receipts from operations (funds provided): | | | |
| Revenue..... | 517,021 | 550,000 | 555,000 |
| Budget expenditures..... | 36,716 | 14,000 | 10,000 |

Because the statement is built on the basis of transactions which affect working capital, it excludes depreciation, losses on loans, and other "nonfund" transactions.

STATEMENT OF REVENUE, EXPENSE, AND RETAINED EARNINGS

For revolving funds there is also presented a statement of revenue and expense, computed on an accrual basis, and the resulting net income or loss for the year. This

statement is usually on a full accrual basis, including sums for depreciation, provisions for losses on receivables, etc. Where a fund consists of several programs, revenue and expense may be identified for each; otherwise they are shown only for the fund as a whole, as here illustrated:

Revenue, Expense, and Retained Earnings

| Revenue..... | \$517,021 | \$550,000 | \$555,000 |
|---|-----------|-----------|-----------|
| Expense..... | 518,396 | 535,000 | 559,000 |
| Net income or loss (-) for the year..... | -1,375 | 15,000 | -4,000 |
| Retained earnings, beginning of year..... | 177,190 | 175,815 | 190,815 |
| Retained earnings, end of year..... | 175,815 | 190,815 | 186,815 |

The statement includes an analysis of the retained earnings or the cumulative deficit. This analysis shows any additions to earnings, other than net income for the year, any charges made against retained earnings, and the balance of profits kept in the enterprise as of the end of the year (whether in the form of cash, inventories, other current assets, or fixed assets).

STATEMENT OF FINANCIAL CONDITION

For each revolving fund there is presented a balance sheet of assets, liabilities, and investment of the Government at the close of the year, as in this example:

Financial Condition

| Assets: | | | |
|--|----------|----------|----------|
| Cash with Treasury..... | \$71,587 | \$57,587 | \$47,587 |
| Accounts receivable, net..... | 7,981 | 7,981 | 7,981 |
| Supplies..... | 11,362 | 11,362 | 11,362 |
| Equipment, net..... | 121,001 | 150,001 | 156,001 |
| Total assets..... | 211,931 | 226,931 | 222,931 |
| Liabilities: | | | |
| Current..... | 33,331 | 33,331 | 33,331 |
| Government investment: | | | |
| Non-interest-bearing capital: Start and end of year..... | 2,785 | 2,785 | 2,785 |
| Retained earnings..... | 175,815 | 190,815 | 186,815 |
| Total Government investment..... | 178,600 | 193,600 | 189,600 |

The balance sheet excludes balances of appropriations or borrowing authorizations which have not yet been paid into the revolving fund. The section on investment of the Government is divided into three subsections as appropriate: (a) interest-bearing capital, (b) non-interest-bearing capital, and (c) retained earnings.

Because the balance sheet is on an accrual basis, it does not reflect the obligations incurred which have not yet matured into liabilities, nor does it reflect unfilled customer orders received and available as a basis for obligation in the case of intragovernmental revolving funds. Therefore, there is appended to the balance sheet a schedule which shows the unobligated balances, relating them to the unexpended balances and showing the computation of the net obligated balance as in the following example:

Status of Certain Fund Balances

| | 1958 actual | 1959 actual | 1960 estimate | 1961 estimate |
|---|-------------|-------------|---------------|---------------|
| Unexpended balance: Cash with Treasury..... | \$108,304 | \$71,587 | \$57,587 | \$47,587 |
| Obligated balance, net: | | | | |
| Current liabilities..... | 36,230 | 33,331 | 33,331 | 33,331 |
| Unpaid undelivered orders..... | 14,808 | 5,550 | 5,550 | 6,550 |
| Accounts receivable, net (-)..... | -9,620 | -7,981 | -7,981 | -7,981 |
| Total obligated balance..... | 41,418 | 30,900 | 30,900 | 30,900 |
| Unobligated balance..... | 66,886 | 40,687 | 26,687 | 16,687 |

TABLE 6

SUMMARY OF BUDGET AUTHORIZATIONS, OBLIGATIONS, EXPENDITURES, AND BALANCES

Based on existing and proposed legislation

[In millions]

| Description | 1959 enacted | 1960 estimate | 1961 estimate |
|--|---------------|---------------|---------------|
| Current authorizations: | | | |
| Appropriations----- | \$67,381 | \$67,331 | \$68,214 |
| Appropriations to liquidate contract authorizations----- | (283) | (385) | (395) |
| Authorizations to expend from debt receipts----- | 5,181 | 1,571 | 538 |
| Contract authorizations----- | 11 | 5 | |
| Reappropriations----- | 96 | 153 | 23 |
| Total current authorizations----- | 72,670 | 69,060 | 68,775 |
| Permanent authorizations: | | | |
| Appropriations----- | 8,101 | 9,876 | 10,166 |
| Authorizations to expend from debt receipts----- | 188 | 158 | 8 |
| Contract authorizations----- | 349 | 597 | 437 |
| Reappropriations----- | 57 | 30 | 30 |
| Total permanent authorizations----- | 8,695 | 10,661 | 10,641 |
| Total new obligational authority----- | 81,365 | 79,721 | 79,415 |
| Unobligated balances brought forward, start of year----- | 34,929 | 34,706 | 33,340 |
| Appropriation available in prior year (-)----- | -512 | -472 | -526 |
| Appropriation available from subsequent year----- | 472 | 526 | 526 |
| Unobligated balances carried forward, end of year (-)----- | -34,706 | -33,340 | -30,378 |
| Balances no longer available for obligation (-)----- | -902 | -1,179 | -654 |
| Obligations incurred, net----- | 80,649 | 79,962 | 81,723 |
| Obligated balances brought forward, start of year----- | 37,142 | 36,922 | 38,487 |
| Adjustment of obligations in expired accounts----- | -172 | -14 | -6 |
| Obligated balances carried forward, end of year (-)----- | -36,922 | -38,487 | -40,388 |
| Budget expenditures----- | 80,697 | 78,383 | 79,816 |
| Expenditures are distributed as follows: | | | |
| Out of new obligational authority----- | } | 80,697 | { 53,550 |
| Out of balances of prior authorizations----- | | | |
| | | | 26,266 |

TABLE 7
SUMMARY OF NEW OBLIGATIONAL AUTHORITY
BY TYPE OF AUTHORIZATION AND AGENCY
Based on existing and proposed legislation

[In millions]

| Description | 1959 enacted | 1960 estimate | | | 1961 estimate | | |
|---|--------------|---------------|---------------------------------|--------|------------------------------|---------------------------------|--------|
| | | Enacted | Proposed for later transmission | Total | Recommended in this document | Proposed for later transmission | Total |
| CURRENT AUTHORIZATIONS | | | | | | | |
| Appropriations: | | | | | | | |
| Legislative branch | \$109 | \$110 | | \$110 | \$116 | | \$116 |
| The judiciary | 48 | 48 | \$1 | 49 | 53 | | 53 |
| Executive Office of the President | 55 | 63 | 3 | 66 | 87 | | 87 |
| Funds appropriated to the President: | | | | | | | |
| Mutual security—economic | 1,933 | 1,926 | | 1,926 | 2,175 | | 2,175 |
| Other | 121 | 18 | | 18 | 16 | | 16 |
| Independent offices: | | | | | | | |
| Atomic Energy Commission | 2,645 | 2,650 | | 2,650 | 2,643 | | 2,643 |
| National Aeronautics and Space Administration | 305 | 501 | 23 | 524 | 802 | | 802 |
| Veterans Administration | 5,071 | 5,043 | 114 | 5,157 | 5,464 | | 5,464 |
| Other | 1,194 | 1,146 | 6 | 1,151 | 1,331 | (1) | 1,331 |
| General Services Administration | 496 | 277 | 6 | 283 | 506 | | 506 |
| Housing and Home Finance Agency | 147 | 150 | 13 | 163 | 182 | | 182 |
| Department of Agriculture | 4,926 | 4,082 | 725 | 4,807 | 4,255 | \$32 | 4,287 |
| Department of Commerce | 434 | 508 | 32 | 540 | 505 | 57 | 562 |
| Department of Defense—Military | 42,626 | 41,892 | 25 | 41,917 | 42,523 | 24 | 42,547 |
| Department of Defense—Civil | 866 | 922 | 3 | 926 | 977 | | 977 |
| Department of Health, Education, and Welfare | 3,245 | 3,456 | 21 | 3,477 | 3,421 | | 3,421 |
| Department of the Interior | 633 | 595 | 7 | 603 | 668 | | 668 |
| Department of Justice | 253 | 266 | (1) | 266 | 281 | | 281 |
| Department of Labor | 597 | 549 | 1 | 550 | 555 | | 555 |
| Post Office Department | 625 | 656 | | 656 | 603 | 2—554 | 49 |
| Department of State | 242 | 219 | 45 | 264 | 247 | 49 | 296 |
| Treasury Department | 777 | 1,066 | (1) | 1,066 | 843 | | 843 |
| District of Columbia | 33 | 62 | | 62 | 53 | | 53 |
| Allowance for contingencies | | | 100 | 100 | 300 | | 300 |
| Total appropriations | 67,381 | 66,205 | 1,125 | 67,331 | 68,306 | —92 | 68,214 |
| Appropriations to liquidate contract authorizations: | | | | | | | |
| Legislative branch | (28) | (19) | | (19) | (16) | | (16) |
| Independent offices | (103) | (106) | (11) | (117) | (149) | | (149) |
| Housing and Home Finance Agency | (50) | (90) | (50) | (140) | (151) | | (151) |
| Department of Agriculture | (26) | (28) | | (28) | (30) | | (30) |
| Department of Commerce | (33) | (35) | | (35) | (1) | | (1) |
| Department of Health, Education, and Welfare | (1) | (1) | | (1) | (1) | | (1) |
| Department of the Interior | (42) | (45) | | (45) | (48) | | (48) |
| Total authorizations to liquidate contract authorizations | (283) | (324) | (61) | (385) | (395) | | (395) |
| Authorizations to expend from debt receipts: | | | | | | | |
| Independent offices: | | | | | | | |
| Veterans Administration | | 100 | | 100 | | | |
| Other | | 750 | | 750 | | | |
| Housing and Home Finance Agency | | 275 | | 275 | 170 | | 170 |
| Department of Agriculture | 631 | 446 | | 446 | 367 | | 367 |
| Department of the Interior | (1) | | | | 1 | | 1 |
| Treasury Department | 4,550 | | | | | | |
| Total authorizations to expend from debt receipts | 5,181 | 1,571 | | 1,571 | 538 | | 538 |
| Contract authorizations: | | | | | | | |
| Legislative branch | 11 | 5 | | 5 | | | |
| Reappropriations: | | | | | | | |
| Legislative branch | (1) | (1) | | (1) | | | |
| The Judiciary | | (1) | | (1) | | | |
| Independent offices: | | | | | | | |
| Atomic Energy Commission | 78 | 152 | | 152 | 23 | | 23 |
| Other | (1) | | | (1) | | | |
| Department of Agriculture | 18 | 1 | | 1 | | | |
| Department of Commerce | (1) | | | (1) | | | |

¹ Less than one-half million dollars.² Proposed postal rate increases.³ Includes amounts for special foreign currency programs recommended in this document.

TABLE 7—Continued
SUMMARY OF NEW OBLIGATIONAL AUTHORITY—Continued
BY TYPE OF AUTHORIZATION AND AGENCY—Continued
Based on existing and proposed legislation—Continued

[In millions]

| Description | 1959 enacted | 1960 estimate | | | 1961 estimate | | |
|---|--------------|---------------|---------------------------------|--------|------------------------------|---------------------------------|--------|
| | | Enacted | Proposed for later transmission | Total | Recommended in this document | Proposed for later transmission | Total |
| CURRENT AUTHORIZATIONS—Continued | | | | | | | |
| Reappropriations—Continued | (1) | | | | | | |
| Department of Health, Education, and Welfare | (1) | | | | | | |
| Department of the Interior | (1) | | | | | | (1) |
| Total reappropriations | \$96 | \$153 | | \$153 | \$23 | | \$23 |
| Total current authorizations | 72,670 | 67,934 | \$1,125 | 69,060 | 68,867 | -\$92 | 68,775 |
| PERMANENT AUTHORIZATIONS | | | | | | | |
| Appropriations: | | | | | | | |
| Independent offices: | | | | | | | |
| Veterans Administration | 1 | 1 | | 1 | 1 | | 1 |
| Other | 2 | 2 | | 2 | 3 | | 3 |
| General Services Administration | 1 | 1 | | 1 | 2 | | 2 |
| Department of Agriculture | 294 | 346 | | 346 | 420 | | 420 |
| Department of Defense—Civil | 2 | 2 | | 2 | 2 | | 2 |
| Department of Health, Education, and Welfare | 10 | 10 | | 10 | 10 | | 10 |
| Department of the Interior | 91 | 101 | | 101 | 100 | | 100 |
| Department of Justice | (1) | (1) | | (1) | | | |
| Department of State | 3 | 3 | | 3 | 3 | | 3 |
| Treasury Department | 7,697 | 9,410 | | 9,410 | 9,625 | | 9,625 |
| Total appropriations | 8,101 | 9,876 | | 9,876 | 10,166 | | 10,166 |
| Authorizations to expend from debt receipts: | | | | | | | |
| Independent offices: Veterans Administration | 150 | 150 | | 150 | | | |
| Housing and Home Finance Agency | 10 | 5 | | 5 | | | |
| Department of Agriculture | 27 | 3 | | 3 | 8 | | 8 |
| Department of Commerce | 1 | | | | | | |
| Total authorizations to expend from debt receipts | 188 | 158 | | 158 | 8 | | 8 |
| Contract authorizations: | | | | | | | |
| Independent offices | 115 | 129 | | 129 | 135 | | 135 |
| Housing and Home Finance Agency | 101 | 350 | | 350 | 300 | | 300 |
| Department of Agriculture | 30 | 30 | | 30 | | | |
| Department of Commerce | 36 | 39 | | 39 | 1 | | 1 |
| Department of Health, Education, and Welfare | (1) | (1) | | (1) | (1) | | (1) |
| Department of the Interior | 67 | 49 | | 49 | 1 | | 1 |
| Total contract authorizations | 349 | 597 | | 597 | 437 | | 437 |
| Reappropriations: | | | | | | | |
| Department of Defense—Military | 57 | 30 | | 30 | 30 | | 30 |
| Total permanent authorizations | 8,695 | 10,661 | | 10,661 | 10,641 | | 10,641 |
| Total new obligational authority | 81,365 | 78,596 | 1,125 | 79,721 | 79,507 | -\$92 | 79,415 |

1 Less than one-half million dollars.

TABLE 8
SUMMARY OF BALANCES AVAILABLE AT START OF YEAR
Based on existing and proposed legislation

[In millions]

| Description | 1959 actual | | 1960 actual | | 1961 estimate | | 1962 estimate | |
|---|-------------|-------------|-------------|-------------|---------------|-------------|---------------|-------------|
| | Obligated | Unobligated | Obligated | Unobligated | Obligated | Unobligated | Obligated | Unobligated |
| BALANCES OF AUTHORIZATIONS ENACTED OR RECOMMENDED IN THIS DOCUMENT | | | | | | | | |
| Appropriations: | | | | | | | | |
| Legislative branch | \$34 | \$19 | \$40 | \$26 | \$52 | \$1 | \$14 | \$2 |
| The judiciary | 3 | | 3 | | 4 | | 4 | |
| Executive Office of the President | 37 | 17 | 42 | 1 | 42 | (1) | 51 | |
| Funds appropriated to the President: | | | | | | | | |
| Mutual security—economic | 1,572 | 12 | 1,479 | 29 | 1,492 | 15 | 1,579 | |
| Other | 11 | 28 | 14 | 24 | 19 | 9 | 18 | 1 |
| Independent offices | 1,544 | 528 | 1,821 | 548 | 2,415 | 225 | 2,684 | 200 |
| General Services Administration | 148 | 169 | 161 | 261 | 192 | 29 | 261 | 14 |
| Housing and Home Finance Agency | 3 | 1 | 4 | 1 | 4 | 1 | 4 | 1 |
| Department of Agriculture | 147 | 341 | 143 | 332 | 154 | 319 | 173 | 311 |
| Department of Commerce | 197 | 88 | 232 | 120 | 333 | 42 | 376 | 31 |
| Department of Defense—Military | 24,948 | 7,918 | 23,878 | 7,565 | 24,714 | 6,678 | 25,208 | 6,171 |
| Department of Defense—Civil | 124 | 92 | 166 | 109 | 247 | 47 | 296 | 13 |
| Department of Health, Education, and Welfare | 788 | 151 | 906 | 186 | 1,065 | 129 | 1,016 | 95 |
| Department of the Interior | 199 | 50 | 184 | 59 | 199 | 19 | 221 | 11 |
| Department of Justice | 20 | 1 | 15 | (1) | 19 | 1 | 23 | 3 |
| Department of Labor | 8 | 618 | 14 | 171 | 12 | | 28 | |
| Department of State | 83 | 13 | 66 | 5 | 61 | 1 | 77 | 1 |
| Treasury Department | 106 | 5 | 92 | 12 | 88 | 201 | 96 | 201 |
| District of Columbia | | 45 | | 48 | | 75 | | 81 |
| Total appropriations | 29,972 | 10,096 | 29,262 | 9,495 | 31,111 | 7,791 | 32,130 | 7,135 |
| Authorizations to expend from debt receipts: | | | | | | | | |
| Funds appropriated to the President: | | | | | | | | |
| Mutual security—economic | 92 | 108 | 126 | 74 | 148 | 51 | 181 | 19 |
| Other | 198 | 179 | 54 | 96 | 74 | 17 | 45 | -43 |
| Independent offices | 1,289 | 8,007 | 911 | 7,952 | 1,413 | 8,220 | 1,766 | 7,725 |
| Housing and Home Finance Agency | 2,791 | 5,524 | 2,858 | 4,122 | 1,968 | 4,584 | 2,084 | 4,142 |
| Department of Agriculture | 1,270 | 2,971 | 1,165 | 1,776 | 1,233 | 807 | 1,026 | 445 |
| Department of Defense—Civil | | | | | 5 | 5 | 10 | |
| Department of the Interior | | | (1) | | (1) | | (1) | |
| Treasury Department | 3 | 2,787 | 2 | 5,962 | 2 | 5,962 | 2 | 5,962 |
| Total authorizations to expend from debt receipts | 5,643 | 19,576 | 5,116 | 19,982 | 4,843 | 19,646 | 5,114 | 18,251 |
| Contract authorizations: | | | | | | | | |
| Legislative branch | 1 | 102 | (1) | 61 | 25 | 22 | 15 | 16 |
| Independent offices | 56 | 58 | 82 | 48 | 105 | 36 | 101 | 24 |
| Housing and Home Finance Agency | 266 | 828 | 505 | 640 | 625 | 730 | 825 | 680 |
| Department of Agriculture | 8 | 27 | 8 | 30 | 11 | 30 | 11 | |
| Department of Commerce | 19 | 41 | 21 | 42 | 31 | 36 | 2 | |
| Department of Health, Education, and Welfare | 1 | 1 | 1 | (1) | 1 | (1) | | |
| Department of the Interior | 25 | 31 | 14 | 66 | 20 | 63 | 21 | 15 |
| Total contract authorizations | 376 | 1,089 | 633 | 889 | 818 | 919 | 976 | 735 |
| Revolving and management funds: | | | | | | | | |
| Legislative branch | 1 | 16 | -2 | 16 | -1 | 14 | (1) | 15 |
| Executive Office of the President | (1) | 1 | (1) | 1 | (1) | 1 | 1 | 1 |
| Funds appropriated to the President: | | | | | | | | |
| Mutual security—economic | 101 | 198 | 556 | 226 | 954 | 203 | 1,342 | 215 |
| Other | 26 | | 122 | | 14 | | 17 | |
| Independent offices | 263 | 577 | 229 | 756 | 272 | 824 | 236 | 818 |
| General Services Administration | 24 | 26 | 17 | 50 | 25 | 26 | 22 | 22 |
| Housing and Home Finance Agency | 201 | 552 | 228 | 619 | 204 | 704 | 204 | 817 |
| Department of Agriculture | 30 | 67 | 37 | 112 | 37 | 122 | 37 | 116 |
| Department of Commerce | -2 | 29 | (1) | 31 | (1) | 31 | 2 | 33 |
| Department of Defense—Military | 13 | 2,601 | 392 | 2,428 | -285 | 2,256 | -251 | 2,065 |
| Department of Defense—Civil | 46 | 24 | 40 | 30 | 44 | 17 | 36 | 16 |
| Department of Health, Education, and Welfare | 2 | 1 | 2 | 1 | 3 | 1 | 3 | 1 |
| Department of the Interior | 11 | 28 | 25 | 24 | 35 | 39 | 47 | 22 |
| Department of Justice | -13 | 18 | -6 | 11 | -6 | 10 | -5 | 10 |
| Department of Labor | 1 | 1 | 1 | 2 | 1 | 2 | 2 | 2 |
| Post Office Department | 434 | 27 | 257 | 34 | 309 | 23 | 309 | 12 |

¹ Less than one-half million dollars.

TABLE 8—Continued

SUMMARY OF BALANCES AVAILABLE AT START OF YEAR—Continued

Based on existing and proposed legislation—Continued

[In millions]

| Description | 1959 actual | | 1960 actual | | 1961 estimate | | 1962 estimate | |
|---|-------------|-------------|-------------|-------------|---------------|-------------|---------------|-------------|
| | Obligated | Unobligated | Obligated | Unobligated | Obligated | Unobligated | Obligated | Unobligated |
| BALANCES OF AUTHORIZATIONS ENACTED OR RECOMMENDED IN THIS DOCUMENT—Continued | | | | | | | | |
| Revolving and management funds—Continued | | | | | | | | |
| Department of State..... | (1) \$13 | (1) \$3 | (1) \$10 | (1) (1) | (1) \$9 | —\$1 | (1) \$7 | (1) |
| Treasury Department..... | | | | | | | | |
| Total revolving and management funds..... | 1,150 | 4,168 | 1,911 | \$4,341 | 1,618 | 4,274 | 2,006 | \$4,163 |
| Total balances of authorizations enacted or recommended in this document..... | 37,142 | 34,929 | 36,922 | 34,706 | 38,389 | 32,630 | 40,227 | 30,285 |
| BALANCES OF AUTHORIZATIONS PROPOSED FOR LATER TRANSMISSION | | | | | | | | |
| Appropriations: | | | | | | | | |
| Executive Office of the President..... | | | | | 1 | | | |
| Independent offices..... | | | | | 23 | 2 | 5 | 1 |
| Housing and Home Finance Agency..... | | | | | 5 | | 2 | |
| Department of Agriculture..... | | | | | 30 | 675 | 17 | |
| Department of Commerce..... | | | | | (1) | | 8 | 39 |
| Department of Defense—Military..... | | | | | 2 | | 2 | |
| Department of Defense—Civil..... | | | | | (1) | | | |
| Department of Health, Education, and Welfare..... | | | | | 5 | | | |
| Department of the Interior..... | | | | | 3 | | 1 | |
| Department of Justice..... | | | | | (1) | | (1) | |
| Department of Labor..... | | | | | (1) | | | |
| Department of State..... | | | | | 4 | 33 | 2 | 26 |
| Treasury Department..... | | | | | (1) | | | |
| Allowance for contingencies..... | | | | | 25 | | 125 | |
| Total appropriations..... | | | | | 98 | 710 | 162 | 66 |
| Revolving and management funds: | | | | | | | | |
| Independent Offices..... | | | | | | | | 28 |
| Total balances available at start of year..... | 37,142 | 34,929 | 36,922 | 34,706 | 38,487 | 33,340 | 40,388 | 30,378 |
| RECAPITULATION | | | | | | | | |
| Appropriations..... | \$29,972 | \$10,096 | \$29,262 | \$9,495 | \$31,209 | \$8,501 | \$32,292 | \$7,201 |
| Authorizations to expend from debt receipts..... | 5,643 | 19,576 | 5,116 | 19,982 | 4,843 | 19,646 | 5,114 | 18,251 |
| Contract authorizations..... | 376 | 1,089 | 633 | 889 | 818 | 919 | 976 | 735 |
| Revolving and management funds..... | 1,150 | 4,168 | 1,911 | 4,341 | 1,618 | 4,274 | 2,006 | 4,191 |
| Total balances available at start of year..... | 37,142 | 34,929 | 36,922 | 34,706 | 38,487 | 33,340 | 40,388 | 30,378 |

¹ Less than one-half million dollars.

TABLE 9

SUMMARY OF EXPENDITURES OF PUBLIC ENTERPRISE FUNDS

Based on existing and proposed legislation

[In millions. The budget expenditures shown in this table are included in the budget expenditures of the respective functions and agencies in all tables of the budget.]

| Description | GROSS EXPENDITURES | | | RECEIPTS FROM OPERATIONS | | | BUDGET EXPENDITURES | | |
|---|--------------------|--------|--------|--------------------------|--------|--------|---------------------|-------|-------|
| | 1959 | 1960 | 1961 | 1959 | 1960 | 1961 | 1959 | 1960 | 1961 |
| Enacted or recommended in this document: | | | | | | | | | |
| Executive Office of the President..... | (1) | (1) | (1) | (1) | (1) | (1) | (1) | (1) | (1) |
| Funds appropriated to the President: | | | | | | | | | |
| Mutual security—economic..... | \$67 | \$191 | \$338 | \$2 | \$18 | \$41 | \$65 | \$173 | \$297 |
| Other..... | 320 | 229 | 132 | 81 | 60 | 43 | 239 | 170 | 89 |
| Independent offices: | | | | | | | | | |
| Veterans Administration..... | 246 | 401 | 185 | 150 | 188 | 217 | 96 | 213 | -32 |
| Other..... | 1,344 | 1,399 | 1,412 | 857 | 1,362 | 1,276 | 487 | 37 | 137 |
| General Services Administration..... | 4 | 2 | (1) | 6 | 6 | 2 | -2 | -4 | -2 |
| Housing and Home Finance Agency..... | 2,291 | 2,881 | 2,374 | 1,151 | 2,590 | 1,892 | 1,140 | 292 | 482 |
| Department of Agriculture..... | 6,403 | 6,706 | 6,213 | 1,962 | 3,216 | 2,969 | 4,442 | 3,490 | 3,245 |
| Department of Commerce..... | 10 | 11 | 7 | 12 | 13 | 10 | -2 | -2 | -3 |
| Department of Defense—Military..... | 68 | 97 | 104 | 52 | 65 | 63 | 15 | 32 | 42 |
| Department of Defense—Civil..... | 110 | 116 | 115 | 114 | 110 | 107 | -4 | 6 | 8 |
| Department of Health, Education, and Welfare..... | 3 | 4 | 4 | 3 | 4 | 4 | (1) | (1) | (1) |
| Department of the Interior..... | 89 | 99 | 139 | 31 | 49 | 59 | 57 | 49 | 80 |
| Department of Labor..... | 4 | 3 | 3 | 7 | 5 | 5 | -3 | -2 | -2 |
| Post Office Department..... | 3,859 | 3,910 | 4,098 | 3,085 | 3,343 | 3,544 | 774 | 567 | 554 |
| Treasury Department..... | 1 | (1) | (1) | 13 | 9 | 9 | -11 | -9 | -8 |
| Total..... | 14,819 | 16,049 | 15,127 | 7,526 | 11,037 | 10,241 | 7,293 | 5,012 | 4,886 |
| Proposed for later transmission: | | | | | | | | | |
| Independent offices..... | | | | | | 28 | | | -28 |
| Housing and Home Finance Agency..... | | 58 | 3 | | | | | 58 | 3 |
| Department of Agriculture..... | | | 675 | | | | | | 675 |
| Post Office Department..... | | | | | | 554 | | | -554 |
| Total..... | | 58 | 678 | | | 582 | | 58 | 96 |
| Grand total..... | 14,819 | 16,107 | 15,805 | 7,526 | 11,037 | 10,822 | 7,293 | 5,070 | 4,982 |

¹ Less than one-half million dollars.

DEPARTMENT OF AGRICULTURE

The Department of Agriculture is charged with a wide range of governmental responsibilities relating to agriculture and rural people. Of long standing are the research, educational, and regulatory activities pertaining to agricultural matters. Of more recent origin are such programs as those providing special credit facilities, price supports, and conservation assistance—programs that account for the major part of the Department's budget. While most of the Department's activities are of special benefit to farmers and rural people, many of them are of substantial benefit also to a much wider group, including consumers of agricultural commodities generally.

New obligational authority requested for the Department of Agriculture for the fiscal year 1961 totals \$5,081 million, compared with \$5,633 million for 1960. The reduction reflects mainly a smaller request for the Commodity Credit Corporation, for which the 1960 estimate includes an anticipated supplemental appropriation of \$675 million to restore part of the Corporation's capital impairment. The 1961 request for activities other than those financed through the Corporation totals approximately

the same as for 1960; the principal increases are for the conservation reserve program and the permanent appropriation for the removal of surplus agricultural commodities, and the principal decreases are for the Rural Electrification Administration and the Farmers Home Administration.

Expenditures for the fiscal year 1961 are estimated at \$6,201 million, compared with \$5,706 million for 1960. Commodity Credit Corporation expenditures are estimated at \$3,906 million in 1961 compared with \$3,500 million in 1960. Of the total for 1961, almost 64% is for stabilization of farm prices and farm income, over 12% is for conservation and development of agricultural land and water resources, 9% is for credit programs, and 5% is for research and other agricultural services. The remaining 10% is for activities that are classified in functions other than agriculture and agricultural resources, such as emergency famine relief abroad and the school lunch program. Expenditures and new obligational authority for the Department are shown by function in the following table:

RECAPITULATION OF BUDGET AUTHORIZATIONS AND EXPENDITURES

[In thousands]

| Function and subfunction | New obligational authority | | | Expenditures | | |
|--|----------------------------|---------------|---------------|--------------|---------------|---------------|
| | 1959 enacted | 1960 estimate | 1961 estimate | 1959 actual | 1960 estimate | 1961 estimate |
| International affairs and finance: | | | | | | |
| 152 Economic and technical development..... | \$119,270 | \$104,508 | \$115,000 | \$97,928 | \$115,000 | \$120,000 |
| Labor and welfare: | | | | | | |
| 217 Other welfare services and administration..... | 202,045 | 220,388 | 224,668 | 218,461 | 233,544 | 234,119 |
| Agriculture and agricultural resources: | | | | | | |
| 351 Stabilization of farm prices and farm income..... | 3,854,084 | 3,573,651 | 3,046,032 | 5,126,336 | 3,499,255 | 3,949,620 |
| 352 Financing farm ownership and operation..... | 279,425 | 239,445 | 216,098 | 245,942 | 235,507 | 221,478 |
| 353 Financing rural electrification and rural telephones..... | 419,101 | 249,632 | 199,632 | 314,840 | 334,421 | 354,595 |
| 354 Conservation and development of agricultural land and water resources..... | 559,128 | 709,647 | 772,015 | 546,657 | 739,533 | 764,563 |
| 355 Research and other agricultural services..... | 307,311 | 324,610 | 333,321 | 291,138 | 298,198 | 324,889 |
| Total, agriculture and agricultural resources..... | 5,419,049 | 5,096,985 | 4,567,098 | 6,524,913 | 5,106,914 | 5,615,145 |
| Natural resources: | | | | | | |
| 402 Conservation and development of forest resources..... | 185,465 | 210,839 | 174,636 | 189,506 | 207,606 | 205,877 |
| Commerce and housing: | | | | | | |
| 517 Other aids to housing..... | | | | 60,552 | 42,900 | 25,700 |
| Total, Department of Agriculture..... | 5,925,829 | 5,632,720 | 5,081,402 | 7,091,361 | 5,705,964 | 6,200,841 |

**BUDGET AUTHORIZATIONS AND EXPENDITURES
BY ORGANIZATION UNIT AND ACCOUNT TITLE**

[In thousands]

| Description | Functional code | NEW AUTHORIZATIONS (appropriations unless otherwise specified) | | | BUDGET EXPENDITURES | | | | |
|---|-----------------|---|------------------|------------------|---------------------|------------------|---------------|---------------------------------------|-------------------------|
| | | 1959 enacted | 1960 estimate | 1961 estimate | 1959 actual | 1960 estimate | 1961 estimate | | |
| | | | | | | | Total | From new obligational authority | From prior authority |
| AGRICULTURAL RESEARCH SERVICE | | | | | | | | | |
| Current authorizations: | | | | | | | | | |
| Salaries and expenses..... | 355 | \$136,634 | \$138,848 | \$139,320 | \$138,482 | \$131,790 | \$139,751 | \$120,449 | \$19,302 |
| Reappropriation..... | 355 | 346 | 1,000 | | | | | | |
| Salaries and expenses (special foreign currency program)..... | 355 | | | 15,132 | | | 3,000 | 3,000 | |
| Construction of facilities..... | 355 | | | 900 | | | 60 | 60 | |
| State experiment stations..... | 355 | 31,804 | 31,804 | 32,804 | 31,757 | 31,724 | 32,803 | 32,642 | 161 |
| Diseases of animals and poultry: Reappropriation..... | 355 | 30 | | | 46 | 129 | 15 | | 15 |
| Animal disease laboratory facilities..... | 355 | | | | 3,597 | 8,339 | 4,092 | | 4,092 |
| Research facilities..... | 355 | | | | 61 | 130 | | | |
| Research on strategic and critical agricultural materials..... | 355 | | | | 1 | 6 | | | |
| Permanent authorizations: | | | | | | | | | |
| Alterations and improvements, animal quarantine station, Clifton, N.J. (indefinite special fund)..... | 355 | | 30 | | | 30 | | | |
| Intragovernmental funds: | | | | | | | | | |
| Working capital fund..... | 355 | | | | -110 | 22 | | | |
| Advances and reimbursements..... | 355 | | | | | 1 | | | |
| Proposed for later transmission: | | | | | | | | | |
| Under existing legislation: Salaries and expenses (special foreign currency program) ¹ | 355 | | 17,638 | | | | 5,000 | | 5,000 |
| Total, Agricultural Research Service..... | | 168,814 | 189,320 | 188,156 | 173,834 | 172,171 | 184,721 | 156,151 | 28,570 |
| EXTENSION SERVICE | | | | | | | | | |
| Current authorizations: | | | | | | | | | |
| Cooperative extension work, payments and expenses..... | 355 | 63,719 | 64,123 | 67,425 | 63,185 | 64,100 | 67,439 | 66,020 | 1,419 |
| FARMER COOPERATIVE SERVICE | | | | | | | | | |
| Current authorizations: | | | | | | | | | |
| Salaries and expenses..... | 355 | 618 | 616 | 645 | 626 | 613 | 641 | 589 | 52 |
| Intragovernmental funds: | | | | | | | | | |
| Advances and reimbursements..... | 355 | | | | 4 | 3 | | | |
| Total, Farmer Cooperative Service..... | | 618 | 616 | 645 | 630 | 616 | 641 | 589 | 52 |
| SOIL CONSERVATION SERVICE | | | | | | | | | |
| Current authorizations: | | | | | | | | | |
| Conservation operations..... | 354 | 80,883 | 82,322 | 82,882 | 84,406 | 80,340 | 81,300 | 76,100 | 5,200 |
| Watershed protection..... | 354 | 25,500 | 22,750 | 27,750 | 19,616 | 26,000 | 31,000 | 4,200 | 26,800 |
| Flood prevention..... | 354 | 18,000 | 18,000 | 15,000 | 15,570 | 17,500 | 15,500 | 5,400 | 10,100 |
| Great Plains conservation program..... | 354 | 10,000 | 10,000 | 10,000 | 5,395 | 6,500 | 9,500 | | 9,500 |
| Water conservation and utilization projects..... | 354 | 335 | 75 | | 260 | 76 | 63 | | 63 |
| Total, Soil Conservation Service..... | | 134,718 | 133,147 | 135,632 | 125,247 | 130,416 | 137,363 | 85,700 | 51,663 |
| AGRICULTURAL CONSERVATION PROGRAM SERVICE | | | | | | | | | |
| Current authorizations: | | | | | | | | | |
| Agricultural conservation program..... | 354 | 235,000 | 241,500 | 242,600 | 236,091 | 238,000 | 240,000 | 217,285 | 22,715 |
| Emergency conservation measures: Reappropriation..... | 354 | 18,078 | | | 3,211 | 5,000 | 5,000 | | 5,000 |
| Total, Agricultural Conservation Program Service..... | | 253,078 | 241,500 | 242,600 | 239,302 | 243,000 | 245,000 | 217,285 | 27,715 |
| AGRICULTURAL MARKETING SERVICE | | | | | | | | | |
| Current authorizations: | | | | | | | | | |
| Marketing research and service..... | 355 | 37,967 | 41,417 | 43,142 | 39,023 | 39,653 | 42,814 | 39,079 | 3,735 |
| Payments to States and possessions..... | 355 | 1,160 | 1,195 | 1,195 | 1,160 | 1,195 | 1,195 | 1,195 | |
| School lunch program..... | 217 | 110,000 | 110,000 | 110,000 | | | | | |
| Permanent authorizations: | | | | | | | | | |
| School lunch program..... | 217 | 35,000 | 43,657 | 40,000 | 143,793 | 153,686 | 150,461 | 149,300 | 1,161 |
| Perishable Agricultural Commodities Act fund (indefinite special fund)..... | 355 | 673 | 670 | 670 | 695 | 740 | 773 | 417 | 356 |
| Removal of surplus agricultural commodities (indefinite)..... | 351 | 196,150 | 200,302 | 270,661 | 140,950 | 110,000 | 110,000 | | 110,000 |
| Intragovernmental funds: | | | | | | | | | |
| Advances and reimbursements..... | 355 | | | | 26 | 24 | | | |
| Total, Agricultural Marketing Service..... | | 380,950 | 397,242 | 465,668 | 325,647 | 305,298 | 305,243 | 189,991 | 115,252 |

¹ Language to provide this appropriation is recommended in this document.

BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

| Description | Functional code | NEW AUTHORIZATIONS (appropriations unless otherwise specified) | | | BUDGET EXPENDITURES | | | |
|---|-----------------|---|---------------|---------------|---------------------|---------------|-----------|---------------------------------------|
| | | 1959 enacted | 1960 estimate | 1961 estimate | 1959 actual | 1960 estimate | Total | From new obligational authority |
| FOREIGN AGRICULTURAL SERVICE | | | | | | | | |
| Current authorizations: | | | | | | | | |
| Salaries and expenses..... | 355 | \$4,234 | \$3,518 | \$4,637 | \$4,142 | \$6,324 | \$6,413 | \$5,975 |
| Salaries and expenses (special foreign currency program)..... | 355 | | | 14,622 | | | 5,571 | 5,571 |
| Permanent authorizations: | | | | | | | | |
| Salaries and expenses (indefinite)..... | 355 | | 2,493 | 2,539 | | | | |
| Proposed for later transmission: | | | | | | | | |
| Under existing legislation: Salaries and expenses (special foreign currency program) ¹ | 355 | | 9,309 | | | | 5,000 | 5,000 |
| Total, Foreign Agricultural Service..... | | 4,234 | 15,320 | 21,798 | 4,142 | 6,324 | 16,984 | 11,546 |
| COMMODITY EXCHANGE AUTHORITY | | | | | | | | |
| Current authorizations: | | | | | | | | |
| Salaries and expenses..... | 355 | 895 | 910 | 941 | 929 | 906 | 935 | 885 |
| COMMODITY STABILIZATION SERVICE | | | | | | | | |
| Current authorizations: | | | | | | | | |
| Acreage allotments and marketing quotas..... | 351 | 41,715 | 39,135 | 40,135 | 41,770 | 39,180 | 40,154 | 40,104 |
| Sugar Act program..... | 351 | 76,000 | 71,500 | 74,500 | 67,275 | 74,177 | 78,421 | 69,826 |
| Conservation reserve program..... | 354 | 171,332 | 335,000 | 361,783 | 170,732 | 335,049 | 361,800 | 361,000 |
| Acreage reserve..... | 351 | 609,450 | | | 608,821 | 218 | | 800 |
| Intragovernmental funds: | | | | | | | | |
| Administrative expenses, sec. 392, Agricultural Adjustment Act of 1938..... | 355 | | | | -449 | | | |
| Local administration, sec. 388, Agricultural Adjustment Act of 1938..... | 355 | | | | -2,176 | 3,379 | | |
| Proposed for later transmission: | | | | | | | | |
| Under existing legislation: Acreage allotments and marketing quotas..... | 351 | | 1,667 | | | 1,667 | | |
| Under proposed legislation: Conservation reserve program..... | 354 | | | 32,000 | | | 32,000 | 32,000 |
| Total, Commodity Stabilization Service..... | | 898,497 | 447,302 | 508,418 | 885,973 | 453,670 | 512,375 | 502,930 |
| COMMODITY CREDIT CORPORATION (FUND) | | | | | | | | |
| PRICE SUPPORT, SUPPLY, AND RELATED PROGRAMS AND SPECIAL MILK | | | | | | | | |
| Public enterprise funds: | | | | | | | | |
| Price support, supply, and related programs: | | | | | | | | |
| Restoration of capital impairment (current appropriation)..... | 351 | 1,703,355 | 1,368,693 | 1,250,332 | 2,774,910 | 1,827,677 | 1,604,248 | |
| Limitation on administrative expenses..... | | (38,960) | (41,342) | (47,770) | | | | |
| Special milk program: | | | | | | | | |
| Restoration of capital impairment (current appropriation)..... | 217 | 57,045 | 66,731 | 74,668 | 74,668 | 79,858 | 83,658 | |
| Limitation on administrative expenses..... | | (640) | (658) | (658) | | | | |
| Proposed for later transmission: | | | | | | | | |
| Under existing legislation: Price support, supply, and related programs: | | | | | | | | |
| Partial restoration of capital impairment as of June 30, 1959 (current appropriation)..... | 351 | | 675,000 | | | | 675,000 | |
| Limitation on administrative expenses..... | | | (1,933) | | | | | |
| Total, price support, supply, and related programs and special milk..... | | 1,760,400 | 2,110,424 | 1,325,000 | 2,849,578 | 1,907,535 | 2,362,906 | |
| SPECIAL ACTIVITIES FINANCED BY COMMODITY CREDIT CORPORATION | | | | | | | | |
| Public enterprise funds: | | | | | | | | |
| Current appropriations unless otherwise indicated: | | | | | | | | |
| Reimbursement to Commodity Credit Corporation for— | | | | | | | | |
| International Wheat Agreement..... | 351 | 80,800 | 63,875 | 49,042 | 48,303 | 49,042 | 68,115 | |
| Emergency famine relief to friendly peoples..... | 152 | 119,270 | 104,508 | 115,000 | 97,928 | 115,000 | 120,000 | |
| Sales of surplus agricultural commodities for foreign currencies..... | 351 | 1,033,515 | 968,016 | 881,000 | 1,022,036 | 1,055,131 | 1,172,242 | |
| Transfer of Commodity Credit Corporation grain to Interior for migratory waterfowl feed..... | 351 | 19 | 35 | 35 | 17 | 35 | 35 | |
| Transfer of bartered materials to supplemental stockpile..... | 351 | 82,250 | 129,000 | 422,950 | 314,728 | 237,222 | 126,700 | |
| Animal disease eradication activities..... | 355 | 19,390 | 1,057 | | 1,057 | -18 | | |
| Grading and classing activities..... | 355 | 1,511 | 1,607 | 715 | 525 | 715 | 715 | |
| Acreage reserve..... | 351 | | | | 63,731 | 5,288 | | |
| Conservation reserve program..... | 354 | | | | 4,376 | 29,768 | | |
| National Wool Act (permanent indefinite appropriation)..... | 351 | 24,453 | 50,050 | 51,000 | 20,026 | 93,511 | 70,348 | |
| Loans to Secretary of Agriculture for conservation purposes..... | 354 | | | | 7,000 | 1,300 | -11,600 | |
| Military housing (Public Law 84-161, barter and exchange)..... | 351 | | | | 31,498 | 5,491 | -3,000 | |
| Transfer of long-staple cotton from national stockpile for sale by Commodity Credit Corporation..... | 351 | | | | 400 | 86 | | |
| Total, special activities financed by Commodity Credit Corporation..... | | 1,361,208 | 1,318,148 | 1,519,742 | 1,611,625 | 1,592,571 | 1,543,555 | |
| Total, Commodity Credit Corporation (fund)..... | | 3,121,608 | 3,428,572 | 2,844,742 | 4,461,203 | 3,500,106 | 3,906,461 | 2,344,041 |
| | | | | | | | | 1,562,420 |

¹ Language to provide this appropriation is recommended in this document.

BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

| Description | Functional code | NEW AUTHORIZATIONS (appropriations unless otherwise specified) | | | BUDGET EXPENDITURES | | | | |
|--|-----------------|---|---------------|---------------|---------------------|---------------|---------------|---------------------------------------|-------------------------|
| | | 1959 enacted | 1960 estimate | 1961 estimate | 1959 actual | 1960 estimate | 1961 estimate | | |
| | | | | | | | Total | From new obligational authority | From prior authority |
| FEDERAL CROP INSURANCE CORPORATION | | | | | | | | | |
| Current authorizations: | | | | | | | | | |
| Operating and administrative expenses..... | 351 | \$6,377 | \$6,377 | \$6,377 | \$6,418 | \$7,372 | \$6,348 | \$5,879 | \$469 |
| Public enterprise funds: | | | | | | | | | |
| Federal Crop Insurance Corporation fund..... | 351 | | | | | | | | |
| Limitation on administrative expenses..... | | (2,297) | (2,330) | (2,830) | | | | | |
| Total, Federal Crop Insurance Corporation..... | | 6,377 | 6,377 | 6,377 | -8,129 | 530 | 7,357 | 5,879 | 1,478 |
| RURAL ELECTRIFICATION ADMINISTRATION | | | | | | | | | |
| Current authorizations: | | | | | | | | | |
| Loan authorizations (authorization to expend from debt receipts)..... | 353 | 409,500 | 240,000 | 190,000 | 304,987 | 325,000 | 345,000 | 42,000 | 303,000 |
| Salaries and expenses..... | 353 | 9,601 | 9,632 | 9,632 | 9,853 | 9,421 | 9,595 | 8,941 | 654 |
| Total, Rural Electrification Administration..... | | 419,101 | 249,632 | 199,632 | 314,840 | 334,421 | 354,595 | 50,941 | 303,654 |
| FARMERS HOME ADMINISTRATION | | | | | | | | | |
| Current authorizations: | | | | | | | | | |
| Loan authorizations (authorization to expend from debt receipts): | | | | | | | | | |
| Farm ownership, farm operating, and soil and water conservation..... | 352 | 221,500 | 206,000 | 177,000 | 218,492 | 208,585 | 177,649 | 174,800 | 2,849 |
| Farm housing..... | 517 | | | | 60,552 | 42,900 | 25,700 | | 25,700 |
| Salaries and expenses..... | 352 | 31,190 | 30,745 | 31,468 | 32,277 | 30,500 | 31,511 | 29,487 | 2,024 |
| Public enterprise funds: | | | | | | | | | |
| Disaster loans, etc., revolving fund..... | 352 | | | | -31,060 | -6,725 | 4,622 | | 4,622 |
| Farm tenant-mortgage insurance fund (indefinite permanent authorization to expend from debt receipts)..... | 352 | 26,735 | 2,700 | 7,630 | 26,233 | 3,147 | 7,696 | 7,630 | 66 |
| Total, Farmers Home Administration..... | | 279,425 | 239,445 | 216,098 | 306,494 | 278,407 | 247,178 | 211,917 | 35,261 |
| OFFICE OF THE GENERAL COUNSEL | | | | | | | | | |
| Current authorizations: | | | | | | | | | |
| Salaries and expenses..... | 355 | 3,209 | 3,162 | 3,359 | 3,298 | 3,162 | 3,351 | 3,186 | 165 |
| OFFICE OF THE SECRETARY | | | | | | | | | |
| Current authorizations: | | | | | | | | | |
| Salaries and expenses..... | 355 | 2,856 | 2,881 | 2,900 | 2,920 | 2,875 | 2,905 | 2,739 | 166 |
| Intragovernmental funds: | | | | | | | | | |
| Working capital fund, Department of Agriculture..... | 355 | | | | 32 | -7 | 9 | | 9 |
| Total, Office of the Secretary..... | | 2,856 | 2,881 | 2,900 | 2,952 | 2,868 | 2,914 | 2,739 | 175 |
| OFFICE OF INFORMATION | | | | | | | | | |
| Current authorizations: | | | | | | | | | |
| Salaries and expenses..... | 355 | 1,433 | 1,432 | 1,479 | 1,473 | 1,473 | 1,514 | 1,245 | 269 |
| LIBRARY | | | | | | | | | |
| Current authorizations: | | | | | | | | | |
| Salaries and expenses..... | 355 | 832 | 900 | 896 | 834 | 890 | 893 | 840 | 53 |
| FOREST SERVICE | | | | | | | | | |
| Current authorizations: | | | | | | | | | |
| Forest protection and utilization..... | 402 | 117,166 | 108,670 | 116,826 | 116,776 | 110,200 | 116,740 | 103,740 | 13,000 |
| Cooperative range improvements (special fund)..... | 402 | 700 | 700 | 700 | | | | | |
| Forest roads and trails (liquidation of contract authorization)..... | 402 | (26,000) | (28,000) | (30,000) | 35,479 | 30,225 | 30,000 | | 30,000 |
| Access roads..... | 402 | | | 1,000 | | 1,000 | 1,000 | 1,000 | |
| Acquisition of lands for national forests: | | | | | | | | | |
| Superior National Forest..... | 402 | | | | 1,000 | 603 | 132 | 720 | 690 |
| Special acts (indefinite special fund)..... | 402 | 10 | 10 | 10 | | 1 | 10 | 10 | |
| Cache National Forest..... | 402 | 50 | 50 | | | 33 | 50 | 50 | |
| Weeks Act..... | 402 | | | | | 31 | | | |
| Assistance to States for tree planting..... | 402 | | | | | 395 | 25 | 2 | |
| State and private forestry cooperation..... | 402 | | | | | -29 | | | |

BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

| Description | Functional code | NEW AUTHORIZATIONS (appropriations unless otherwise specified) | | | BUDGET EXPENDITURES | | | | |
|---|-----------------|---|------------------|------------------|---------------------|------------------|---------------|---------------------------------------|-------------------------|
| | | 1959 enacted | 1960 estimate | 1961 estimate | 1959 actual | 1960 estimate | 1961 estimate | | |
| | | | | | | | Total | From new obligational authority | From prior authority |
| FOREST SERVICE—Continued | | | | | | | | | |
| Permanent authorizations: | | | | | | | | | |
| Forest roads and trails: Contract authorization | 402 | \$30,000 | \$30,000 | | | | | | |
| Expenses, brush disposal (indefinite special fund) | 402 | 5,796 | 6,500 | \$6,500 | \$4,911 | \$5,000 | \$5,800 | \$2,000 | \$3,800 |
| Roads and trails for States, national forests fund (indefinite special fund) | 402 | 8,885 | 11,860 | 13,640 | 8,885 | 11,860 | 13,640 | 13,640 | |
| Miscellaneous permanent appropriations: | | | | | | | | | |
| Forest fire prevention (indefinite special fund) | 402 | 15 | 20 | 20 | 25 | 20 | 20 | 18 | 2 |
| Restoration of forest lands and improvements (indefinite special fund) | 402 | 13 | 100 | 100 | 5 | 70 | 95 | 65 | 30 |
| Payments to Minnesota (Cook, Lake, and St. Louis Counties) from the national forests fund (indefinite special fund) | 402 | 48 | 121 | 121 | 48 | 121 | 121 | 121 | |
| Payments due counties, submarginal land program, Farm Tenant Act (indefinite special fund) | 402 | 460 | 500 | 500 | 460 | 500 | 500 | 500 | |
| Payments to school funds, Arizona and New Mexico, Act of June 20, 1910 (receipt limitation) (indefinite) | 402 | 117 | 114 | 114 | 117 | 114 | 114 | 114 | |
| Payments to States and Territories from the national forests fund (indefinite special fund) | 402 | 22,205 | 29,669 | 34,105 | 22,205 | 29,669 | 34,105 | 34,105 | |
| Construction of improvements, Salt Lake City, Utah (indefinite special fund) | 402 | | 25 | | | 19 | 6 | | 6 |
| Intragovernmental funds: | | | | | | | | | |
| Working capital fund | 402 | | | | -439 | 91 | -46 | | -46 |
| Proposed for later transmission: | | | | | | | | | |
| Under existing legislation: Forest protection and utilization | 402 | | 21,500 | | | 18,500 | 3,000 | | 3,000 |
| Total, Forest Service | | 185,465 | 210,839 | 174,636 | 189,506 | 207,606 | 205,877 | 156,003 | 49,874 |
| Total new obligational authority and budget expenditures | | 5,925,829 | 5,632,720 | 5,081,402 | 7,091,361 | 5,705,964 | 6,200,841 | 4,007,888 | 2,192,953 |
| RECAPITULATION | | | | | | | | | |
| Enacted or recommended in this document: | | | | | | | | | |
| Current authorizations: | | | | | | | | | |
| Appropriations | | \$4,925,825 | \$4,081,794 | \$4,254,802 | | | | | |
| Appropriations to liquidate contract authorizations | | (26,000) | (28,000) | (30,000) | | | | | |
| Authorizations to expend from debt receipts | | 631,000 | 446,000 | 367,000 | | | | | |
| Reappropriations | | 18,454 | 1,000 | | | | | | |
| Permanent authorizations: | | | | | | | | | |
| Appropriations | | 293,815 | 346,112 | 419,970 | | | | | |
| Authorizations to expend from debt receipts | | 26,735 | 2,700 | 7,630 | | | | | |
| Contract authorizations | | 30,000 | 30,000 | | | | | | |
| Proposed for later transmission: | | | | | | | | | |
| Appropriations | | | 725,114 | 32,000 | | 20,167 | 720,000 | 32,000 | 688,000 |
| Total new obligational authority and budget expenditures | | 5,925,829 | 5,632,720 | 5,081,402 | 7,091,361 | 5,705,964 | 6,200,841 | 4,007,888 | 2,192,953 |

EXPENDITURES AND APPLICABLE RECEIPTS OF PUBLIC ENTERPRISE FUNDS

[In thousands]

| Organization unit and account title | Functional code | GROSS EXPENDITURES (funds applied) | | | RECEIPTS FROM OPERATIONS (funds provided) | | | BUDGET EXPENDITURES | | |
|--|-----------------|---------------------------------------|-------------|-------------|--|-------------|-------------|---------------------|-------------|-------------|
| | | 1959 | 1960 | 1961 | 1959 | 1960 | 1961 | 1959 | 1960 | 1961 |
| COMMODITY CREDIT CORPORATION (FUND) | | | | | | | | | | |
| Price support, supply, and related programs..... | 351 | \$4,465,505 | \$4,681,117 | \$4,273,219 | \$1,690,595 | \$2,853,440 | \$2,668,971 | \$2,774,910 | \$1,827,677 | \$1,604,248 |
| Proposed for later transmission..... | 351 | | | 675,000 | | | | | | 675,000 |
| Special milk program..... | 217 | 75,933 | 81,000 | 85,000 | 1,265 | 1,142 | 1,342 | 74,668 | 79,858 | 83,658 |
| Total, price support, supply, and related programs and special milk..... | | 4,541,438 | 4,762,117 | 5,033,219 | 1,691,860 | 2,854,582 | 2,670,313 | 2,849,578 | 1,907,535 | 2,362,906 |
| Special activities financed by Commodity Credit Corporation: | | | | | | | | | | |
| International affairs and finance: Economic and technical development..... | 152 | 97,928 | 115,000 | 120,000 | | | | 97,928 | 115,000 | 120,000 |
| Agriculture and agricultural resources: | | | | | | | | | | |
| Stabilization of farm prices and income..... | 351 | 1,634,480 | 1,694,103 | 1,636,300 | 133,740 | 248,297 | 201,860 | 1,500,740 | 1,445,806 | 1,434,440 |
| Conservation and development of agricultural land and water resources..... | 354 | 44,376 | 67,968 | 19,200 | 33,000 | 36,900 | 30,800 | 11,376 | 31,068 | -11,600 |
| Research and other agricultural services..... | 355 | 1,582 | 715 | 715 | | 18 | | 1,582 | 697 | 715 |
| Total, special activities financed by Commodity Credit Corporation..... | | 1,778,365 | 1,877,786 | 1,776,215 | 166,740 | 285,215 | 232,660 | 1,611,625 | 1,592,571 | 1,543,555 |
| Total, Commodity Credit Corporation (fund)..... | | 6,319,803 | 6,639,903 | 6,809,434 | 1,858,600 | 3,139,797 | 2,902,973 | 4,461,203 | 3,500,106 | 3,906,461 |
| FEDERAL CROP INSURANCE CORPORATION | | | | | | | | | | |
| Federal Crop Insurance Corporation fund..... | 351 | 6,062 | 16,347 | 26,429 | 20,610 | 23,189 | 25,420 | -14,548 | -6,842 | 1,009 |
| FARMERS HOME ADMINISTRATION | | | | | | | | | | |
| Disaster loans, etc., revolving fund..... | 352 | 43,716 | 36,367 | 33,649 | 74,776 | 43,092 | 29,027 | -31,060 | -6,725 | 4,622 |
| Farm tenant-mortgage insurance fund..... | 352 | 33,906 | 13,474 | 18,832 | 7,673 | 10,327 | 11,136 | 26,233 | 3,147 | 7,696 |
| Total, public enterprise funds..... | | 6,403,487 | 6,706,091 | 6,888,344 | 1,961,659 | 3,216,405 | 2,968,556 | 4,441,829 | 3,489,686 | 3,919,788 |

ANALYSIS OF UNEXPENDED BALANCES

[In thousands]

| Description | Balance, start of 1959 | | Balance, start of 1960 | | Balance, start of 1961 | | Balance, start of 1962 | |
|--|------------------------|----------|------------------------|---------|------------------------|---------|------------------------|---------|
| | Unobligated | Total | Unobligated | Total | Unobligated | Total | Unobligated | Total |
| Enacted or recommended in this document: | | | | | | | | |
| Appropriations: | | | | | | | | |
| Salaries and expenses, Agricultural Research Service..... | | \$21,995 | | | \$15,650 | | \$23,708 | |
| Animal disease laboratory facilities, Agricultural Research Service..... | \$15,651 | 16,028 | \$1,066 | 12,431 | \$720 | 4,092 | | |
| Research facilities, Agricultural Research Service..... | 148 | 191 | 16 | 130 | | | | |
| Conservation operations, Soil Conservation Service..... | | 8,527 | | 3,218 | | 5,200 | | 6,782 |
| Watershed protection, Soil Conservation Service..... | 16,796 | 24,199 | 9,527 | 30,083 | 2,250 | 26,833 | | 23,583 |
| Flood prevention, Soil Conservation Service..... | 1,376 | 7,196 | 2,846 | 9,625 | | 10,125 | | 9,625 |
| Great Plains conservation program, Soil Conservation Service..... | 4,364 | 8,437 | 629 | 13,042 | | 16,542 | | 17,042 |
| Water conservation and utilization projects, Soil Conservation Service..... | 17 | 45 | 110 | 120 | 110 | 119 | \$50 | 56 |
| Agricultural conservation program, Agricultural Conservation Program Service..... | 2 | 22,612 | 1 | 21,357 | | 24,857 | | 27,457 |
| Emergency conservation measures, Agricultural Conservation Program Service..... | | 4,153 | 15,856 | 17,880 | 10,856 | 12,880 | 5,856 | 7,880 |
| Marketing research and service, Agricultural Marketing Service..... | | 5,170 | | 2,689 | | 4,453 | | 4,781 |
| Perishable Agricultural Commodities Act fund, Agricultural Marketing Service..... | 395 | 448 | 388 | 426 | 309 | 356 | 203 | 253 |
| Removal of surplus agricultural commodities, Agricultural Marketing Service..... | 300,000 | 325,263 | 300,000 | 307,626 | 300,000 | 307,626 | 300,000 | 307,626 |
| Sugar Act program, Commodity Stabilization Service..... | | 2,666 | | 11,380 | | 8,703 | | 4,782 |
| Forest protection and utilization, Forest Service..... | | 14,532 | | 14,661 | | 13,831 | | 14,617 |
| Forest roads and trails (liquidation of contract authorization), Forest Service..... | | 11,715 | | 2,236 | | 11 | | |
| Acquisition of lands for national forests, Forest Service: | | | | | | | | |
| Superior National forest..... | 532 | 767 | 15 | 164 | | 32 | | 312 |
| Cache National forest..... | 53 | 83 | 88 | 100 | | 100 | | 50 |

ANALYSIS OF UNEXPENDED BALANCES—Continued

[In thousands]

| Description | Balance, start of 1959 | | Balance, start of 1960 | | Balance, start of 1961 | | Balance, start of 1962 | |
|--|---------------------------|-----------|---------------------------|-----------|---------------------------|-----------|---------------------------|-----------|
| | Unobli- gated | Total | Unobli- gated | Total | Unobli- gated | Total | Unobli- gated | Total |
| Enacted or recommended in this document—Continued | | | | | | | | |
| Appropriations—Continued | | | | | | | | |
| Assistance to States for tree planting, Forest Service----- | \$9 | \$122 | \$2 | \$27 | | \$2 | | |
| Expenses, brush disposal, Forest Service----- | 1,775 | 2,613 | 1,828 | 3,498 | \$4,451 | 4,998 | \$1,951 | \$5,698 |
| Forest fire prevention, Forest Service----- | 11 | 13 | 1 | 3 | | | 3 | 3 |
| Restoration of forest lands and improvements, Forest Service----- | | | 7 | 8 | | | 38 | 43 |
| Other----- | | 11,459 | | 9,334 | | | 8,077 | 30,336 |
| Total, appropriations----- | 341,129 | 488,534 | 332,380 | 475,688 | 318,696 | 472,586 | 311,030 | 484,203 |
| Authorizations to expend from debt receipts: | | | | | | | | |
| Soil bank programs, Commodity Stabilization Service----- | 233 | 310 | 42 | 22 | | | | |
| Commodity Credit Corporation (fund)----- | 2,505,669 | 2,972,000 | 1,228,203 | 1,626,000 | 401,363 | 855,000 | 172,697 | 468,000 |
| Rural electrification loans, Rural Electrification Administration----- | 67,628 | 862,511 | 210,613 | 967,024 | 108,113 | 882,024 | 113 | 727,024 |
| Farm ownership, farm operating, and soil and water conservation loans, | | | | | | | | |
| Farmers Home Administration----- | | 3,529 | | 5,548 | | 2,963 | | 2,314 |
| Farm housing loans, Farmers Home Administration----- | 397,459 | 403,126 | 337,462 | 342,574 | 297,462 | 299,674 | 272,462 | 273,974 |
| Total, authorizations to expend from debt receipts----- | 2,970,989 | 4,241,476 | 1,776,320 | 2,941,168 | 806,938 | 2,039,661 | 445,272 | 1,471,312 |
| Contract authorizations: Forest roads and trails, Forest Service----- | 26,916 | 34,664 | 30,499 | 38,664 | 30,000 | 40,664 | | 10,675 |
| Revolving and management funds: | | | | | | | | |
| Local administration, sec. 388, Commodity Stabilization Service----- | | 5,419 | 1,714 | 5,479 | | 2,100 | | 2,100 |
| Commodity Credit Corporation (fund)----- | | 26,961 | | 33,366 | | 32,420 | | 32,701 |
| Federal Crop Insurance Corporation fund----- | 25,755 | 26,637 | 38,710 | 41,184 | 41,496 | 48,026 | 39,947 | 47,017 |
| Disaster loans, etc., revolving fund, Farmers Home Administration----- | 38,331 | 32,697 | 67,957 | 63,758 | 75,075 | 70,483 | 70,679 | 65,861 |
| Farm tenant-mortgage insurance fund, Farmers Home Administration----- | 2,837 | 1,114 | 2,919 | 1,616 | 3,794 | 1,169 | 4,190 | 1,103 |
| Other----- | 448 | 4,922 | 979 | 4,275 | 1,375 | 4,141 | 1,590 | 4,178 |
| Total, revolving and management funds----- | 67,371 | 97,750 | 112,279 | 149,678 | 121,740 | 158,339 | 116,406 | 152,960 |
| Proposed for later transmission: | | | | | | | | |
| Appropriations: | | | | | | | | |
| Partial restoration of capital impairment, Commodity Credit Corporation----- | | | | | 675,000 | 675,000 | | |
| Other----- | | | | | | 29,947 | | 16,947 |
| Total, proposed for later transmission----- | | | | | 675,000 | 704,947 | | 16,947 |
| Total, Department of Agriculture----- | 3,406,405 | 4,862,424 | 2,251,478 | 3,605,198 | 1,952,374 | 3,416,197 | 872,738 | 2,136,097 |

SUMMARY OF BUDGET AUTHORIZATIONS, EXPENDITURES, AND BALANCES

[In thousands]

| Description | 1959 actual | 1960 estimate | 1961 estimate |
|---|-------------|---------------|---------------|
| Balances brought forward at start of year from authorizations: | | | |
| Enacted or recommended in this document: | | | |
| Appropriations..... | \$488,534 | \$475,688 | \$472,586 |
| Authorizations to expend from debt receipts..... | 4,241,476 | 2,941,168 | 2,039,661 |
| Contract authorizations..... | 34,664 | 38,664 | 40,664 |
| Revolving and management funds..... | 97,750 | 149,678 | 158,339 |
| Proposed for later transmission: Appropriations..... | | | 704,947 |
| Total balances brought forward..... | 4,862,424 | 3,605,198 | 3,416,197 |
| New obligational authority: | | | |
| Enacted or recommended in this document: | | | |
| Current authorizations: | | | |
| Appropriations..... | 4,925,825 | 4,081,794 | 4,254,802 |
| Appropriations to liquidate contract authorizations..... | (26,000) | (28,000) | (30,000) |
| Authorizations to expend from debt receipts..... | 631,000 | 446,000 | 367,000 |
| Reappropriations..... | 18,454 | 1,000 | |
| Total new obligational authority under current authorizations..... | 5,575,279 | 4,528,794 | 4,621,802 |
| Permanent authorizations: | | | |
| Appropriations..... | 293,815 | 346,112 | 419,970 |
| Authorizations to expend from debt receipts..... | 26,735 | 2,700 | 7,630 |
| Contract authorizations..... | 30,000 | 30,000 | |
| Total new obligational authority under permanent authorizations..... | 350,550 | 378,812 | 427,600 |
| Total new obligational authority enacted or recommended..... | 5,925,829 | 4,907,606 | 5,049,402 |
| Proposed for later transmission: Appropriations..... | | 725,114 | 32,000 |
| Total new obligational authority | 5,925,829 | 5,632,720 | 5,081,402 |
| Other amounts available: Appropriations available in prior year..... | -2,076 | | |
| Total budget authorizations available..... | 10,786,177 | 9,237,918 | 8,497,599 |
| Expenditures: | | | |
| From obligational authority enacted or recommended: | | | |
| Out of new obligational authority..... | 7,091,361 | 5,685,797 | { 3,975,888 |
| Out of balances of prior obligational authority..... | | | 1,504,953 |
| Total expenditures from obligational authority enacted or recommended..... | 7,091,361 | 5,685,797 | 5,480,841 |
| From obligational authority proposed for later transmission: | | | |
| Out of new obligational authority..... | | 20,167 | 32,000 |
| Out of balances of prior obligational authority..... | | | 688,000 |
| Total expenditures from obligational authority proposed for later transmission..... | | 20,167 | 720,000 |
| Total budget expenditures | 7,091,361 | 5,705,964 | 6,200,841 |
| Amounts no longer available: | | | |
| Unobligated balances expiring and lapsing..... | 83,648 | 115,757 | 160,661 |
| Adjustment of balances downward in expired accounts, net..... | 5,970 | | |
| Total amounts no longer available..... | 89,618 | 115,757 | 160,661 |
| Balances carried forward at close of year: | | | |
| Enacted or recommended in this document: | | | |
| Appropriations..... | 475,688 | 472,586 | 484,203 |
| Authorizations to expend from debt receipts..... | 2,941,168 | 2,039,661 | 1,471,312 |
| Contract authorizations..... | 38,664 | 40,664 | 10,675 |
| Revolving and management funds..... | 149,678 | 158,339 | 152,960 |
| Proposed for later transmission: Appropriations..... | | 704,947 | 16,947 |
| Total balances carried forward at close of year..... | 3,605,198 | 3,416,197 | 2,136,097 |
| Obligations incurred, net | \$6,995,032 | \$5,816,067 | \$6,000,377 |

AGRICULTURAL RESEARCH SERVICE

Current authorizations:

SALARIES AND EXPENSES

For expenses necessary to perform agricultural research relating to production, utilization, and home economics, to control and eradicate pests and plant and animal diseases, and to perform related inspection, quarantine and regulatory work, and meat inspection: *Provided*, That not to exceed \$75,000 of the appropriations hereunder shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a): *Provided further*, That appropriations hereunder shall be available for the operation and maintenance of aircraft and the purchase of not to exceed two, of which one shall be for replacement only: *Provided further*, That appropriations hereunder shall be available pursuant to title 5, United States Code, section 565a, for the construction, alteration, and repair of buildings and improvements, but unless otherwise provided, the cost of constructing any one building (except headhouses connecting greenhouses) shall not exceed [§10,000] \$17,500, except for five buildings to be constructed or improved at a cost not to exceed [§20,000] \$35,000 each, and the cost of altering any one building during the fiscal year shall not exceed [§3,750] \$7,500 or [4] 6 per centum of the cost of the building, whichever is greater:

Research: For research and demonstrations on the production and utilization of agricultural products, home economics, and related research and services, including administration of payments to State agricultural experiment stations; [§67,722,490] \$68,981,700: *Provided*, That the Secretary is authorized to acquire from the Department of the Army without reimbursement land and improvements at Orlando, Florida, to be transferred pursuant to the Federal Property and Administrative Services Act of 1949, as amended: *Provided further*, That the limitations contained herein shall not apply to (a) replacement of buildings needed to carry out the Act of April 24, 1948 (21 U.S.C. 113a), or (b) not to exceed \$2,939,000 for the construction and alteration of buildings: *Provided further*, That the Secretary is authorized to acquire by donation lands necessary for the construction thereof;

Plant and animal disease and pest control: For operations and measures, not otherwise provided for, to control and eradicate pests and plant and animal diseases and for carrying out assigned inspection, quarantine, and regulatory activities, as authorized by law, including expenses pursuant to the Act of February 28, 1947 (21 U.S.C. 114b-d), [§49,800,600] \$48,775,600, of which \$1,500,000 shall be apportioned for use pursuant to section 3679 of the Revised Statutes, as amended, for the control of outbreaks of insects and plant diseases to the extent necessary to meet emergency conditions;

Meat inspection: For carrying out the provisions of laws relating to Federal inspection of meat, and meat-food products, and the applicable provisions of the laws relating to process or renovated butter, [§21,324,900] \$21,562,700.

Special fund: To provide for additional labor to be employed under contracts and cooperative agreements to strengthen the work at research installations in the field, not more than \$1,000,000 of the amount appropriated under this head for the fiscal year 1959 may be used by the Administrator of the Agricultural Research Service in departmental research programs in the fiscal year 1960, the amount so used to be transferred to and merged with the appropriation otherwise available under "Salaries and expenses, Research." (5 U.S.C. 511-512, 524, 541c-541e, 563-564, 565a, 576, 2131; 7 U.S.C. 135-135k, 145-164a, 166-167, 281-283, 361a-361i, 391, 394-396, 401-404, 421-422a, 424-425, 427, 427i, 428a, 429-431, 433-434, 436-437, 851-855, 1292, 1651-1656, 1901-1906; 15 U.S.C. 69e; 16 U.S.C. 581-581a, 581f, 590a-590b, 590f, 590k; 18 U.S.C. 287; 19 U.S.C. 1201, 1306; 20 U.S.C. 191-194; 21 U.S.C. 71-91, 94-96, 98, 101-105, 111-128, 130-131, 151-158, 342a, 346; 26 U.S.C. 4817, 7235c; 31 U.S.C. 725a; 42 U.S.C. 1891-1893; 45 U.S.C. 71-74; 46 U.S.C. 466a-466b; 48 U.S.C. 198, 1409m-1409o; 49 U.S.C. 177e, 181b; 46 Stat. 67; 73 Stat. 286; Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.)

Appropriated 1960, \$138,847,990 Estimate 1961, * \$139,320,000

* Includes \$49,100 for activities previously carried under "Salaries and expenses," Library, and excludes \$50,000 for activities transferred in the estimates to "Marketing research and service," Agricultural Marketing Service. The amounts obligated in 1959 and 1960 are shown in the schedule as comparative transfers.

| | Program and Financing | | |
|--|-----------------------|---------------|---------------|
| | 1959 actual | 1960 estimate | 1961 estimate |
| Program by activities: | | | |
| 1. Research: | | | |
| (a) Farm research----- | \$45,123,417 | \$47,109,990 | \$49,677,700 |
| (b) Utilization research and development----- | 16,413,495 | 16,121,000 | 18,442,600 |
| (c) Home economics research----- | 2,013,154 | 2,155,800 | 2,189,200 |
| (d) Administration of payments to States, and research in Alaska, Puerto Rico, and Virgin Islands----- | 1,081,824 | 1,099,300 | 1,102,200 |
| Total, research----- | 64,631,890 | 66,486,090 | 71,411,700 |
| 2. Plant and animal disease and pest control: | | | |
| (a) Plant disease and pest control----- | 21,586,514 | 24,199,700 | 24,916,800 |
| (b) Animal disease and pest control----- | 29,188,711 | 25,600,900 | 23,818,800 |
| Total, plant and animal disease and pest control----- | 50,775,225 | 49,800,600 | 48,735,600 |
| 3. Meat inspection----- | 20,657,577 | 21,324,900 | 21,562,700 |
| Total program costs ¹ : | 136,064,692 | 137,611,590 | 141,710,000 |
| 4. Relation of costs to obligations: | | | |
| Costs financed from obligations of other years, net (-)----- | -2,783,857 | ----- | -2,390,000 |
| Obligations incurred for costs of other years, net----- | ----- | 2,235,500 | ----- |
| Total program (obligations)----- | 133,280,835 | 139,847,090 | 139,320,000 |
| Financing: | | | |
| Comparative transfers from (-) or to other accounts----- | -48,225 | 900 | ----- |
| 1959 appropriation available in 1958----- | 527,557 | ----- | ----- |
| Unobligated balance no longer available----- | 3,220,223 | ----- | ----- |
| New obligational authority----- | 136,980,390 | 139,847,990 | 139,320,000 |
| New obligational authority: | | | |
| Appropriation----- | \$128,752,890 | \$138,847,990 | \$139,320,000 |
| Transferred from "Conservation reserve program" Commodity Stabilization Service (73 Stat. 34)----- | 7,881,500 | ----- | ----- |
| Appropriation (adjusted)----- | 136,634,390 | 138,847,990 | 139,320,000 |
| Reappropriation----- | 346,000 | 1,000,000 | ----- |

¹ Includes capital outlay as follows: June 30, 1959, \$8,068,509; 1960, \$5,200,000; 1961, \$7,600,000.

The Service conducts fundamental and applied research relating to the production and utilization of agricultural products, and to home economics, and carries out those control and regulatory programs of the Department which involve enforcement of plant and animal quarantines, meat inspection, the control of diseases and insect pests of animals and plants, and related work.

1. **Research**—(a) **Farm research**.—Improved breeding, feeding, and management practices are developed for farm livestock, poultry, and domestic fur animals. Practical methods are sought for control of diseases and parasites affecting them.

Investigations are conducted to improve varieties of food, feed, fiber and other plants and to develop new crops; to improve crop-production practices, including methods to control plant diseases; to improve methods for control of harmful and utilization of beneficial insects affecting farm production; and to develop and test new chemical formulations and nonchemical methods for the control of crop pests.

Research is conducted to improve fertilizers, soil management, irrigation, and conservation practices; to study hydrologic problems of agricultural watersheds; to determine the relation of soils to plant, animal, and human nutrition; and to apply engineering principles to improve efficiency and reduce costs of agricultural production.

AGRICULTURAL RESEARCH SERVICE—Continued**Current authorizations—Continued****SALARIES AND EXPENSES—Continued**

Farm economics research is conducted on profitable adjustments in farming by type and size of farm; on efficiency in use of labor, equipment, land, and water; and on related economic problems.

Continuous review is maintained to emphasize work which will meet the problems of agricultural surpluses. The research is aimed at the profitable production of an adequate supply of food, feed, fiber, and other agricultural products of desired quality at minimum costs. Increased attention has been given to the production of agricultural products having industrial uses. Development of improved ginning processes and equipment is currently emphasized in order to enable ginners to avoid heat and other damage to cotton fiber during ginning. More than \$1.5 million of farm research funds are now used for the introduction and development of new crops. Research in farm economics is concentrated on the problem of adjustments in farming which may increase farmers' income without increase in output of farm products currently surplus to need.

The proportion of farm research funds going into basic research has steadily increased, and is currently estimated at 31% of the total funds for farm research. This basic research undergirds the other research efforts.

The estimates for 1961 propose increases for research on safer chemicals for insect control, staffing, and operating the National Animal Disease Laboratory, Ames, Iowa, and economic research to determine alternate systems of farming to enable feed-grain and livestock farmers to adjust more readily to market demands. These increases are more than offset by decreases from the elimination of funds previously appropriated for nonrecurring construction and improvement items, and by redirection of some funds previously used for farm research to utilization and development research.

(b) *Utilization research and development.*—Chemical, physical, and biological studies are conducted to develop new and improved foods, feeds, drugs, fabrics, industrial chemicals, and other products from agricultural commodities; to improve commodity processing methods; and to increase the use of byproducts. The estimates for 1961 propose increases for new and improved uses for grains, cotton, wool, castor oil, and animal fats.

(c) *Home economics research.*—Studies are made of human nutrition, household economics, and clothing and housing.

(d) *Administration of payments to States, and research in Alaska, Puerto Rico, and Virgin Islands.*—Research under Federal grant funds at each State agricultural experiment station is coordinated with research conducted by other States and by agencies of the Department. The Secretary's responsibilities for the proper administration of these funds are financed by a direct appropriation (\$342,500 estimated for 1960) and 3% of the grant funds. Research stations are operated in Alaska, Puerto Rico, and the Virgin Islands.

2. *Plant and animal disease and pest control—(a) Plant disease and pest control.*—Provision is made (1) through port-of-entry inspection to exclude from this country destructive insects, plant diseases, and nematodes that cause great damage to agricultural crops in other parts of the world; (2) to cooperate with States in eradicating or preventing spread of crop pests that become established in

this country; and (3) to assist States in suppressing incipient and emergency outbreaks of crop pests when and where they occur. The Federal Insecticide, Fungicide, and Rodenticide Act, as amended, and related provisions of the Federal Food, Drug, and Cosmetic Act are administered. Increases are proposed for 1961 for plant quarantine protection due to increased travel and shipping, and for regulatory activities arising from the amendment to the Federal Insecticide, Fungicide, and Rodenticide Act, approved August 7, 1959 (Public Law 86-139). The volume of workload is indicated in the following table:

| | [In thousands] | 1957 actual | 1958 actual | 1959 actual |
|---|----------------|-------------|-------------|-------------|
| Inspections at ports of entry: | | | | |
| Airplanes..... | 111 | 121 | 134 | |
| Vessels..... | 55 | 55 | 59 | |
| Interceptions of unauthorized plant material..... | 291 | 311 | 320 | |

(b) *Animal disease and pest control.*—Programs are devised to exclude communicable diseases of foreign origin from this country; to prevent the spread of diseases through interstate shipments of livestock or distribution of impure or impotent veterinary biologics; to control and eradicate livestock diseases; and to maintain, through a marketing agreement with manufacturers and handlers, adequate supplies of hog cholera virus and serum for protection of swine. The estimates for 1961 include a proposed decrease of \$2.1 million primarily due to progress and accomplishments in the brucellosis and screwworm eradication programs.

The volume of protective activities is indicated by selected examples in the following table:

| | [In thousands] | 1957 actual | 1958 actual | 1959 actual |
|--|----------------|-------------|-------------|-------------|
| Animal import inspection: | | | | |
| All animals..... | 346 | 1,127 | 1,150 | |
| Import animal byproducts: | | | | |
| Wool, bone, glands, etc..... | pounds | 672,000 | 590,600 | 664,611 |
| Hides and skins..... | do | (1) | 303,000 | 364,489 |
| Sheep inspected for scabies..... | 11,944 | 9,501 | 10,849 | |
| Cattle inspected for scabies..... | 57 | 57 | 69 | |
| Cattle tested for tuberculosis..... | 2,090 | 2,139 | 5,855 | |
| Scabies-infected cattle found..... | 5 | 1 | 9 | |
| Inspections and dippings for cattle fever ticks..... | 1,932 | 2,832 | 2,097 | |
| Cattle tested for tuberculosis..... | 8,976 | 8,884 | 8,187 | |
| Tuberculosis reactors found..... | 14 | 15 | 19 | |
| Cattle tested for brucellosis: | | | | |
| Blood tests..... | 15,913 | 16,251 | 14,169 | |
| Ping tests..... | 31,481 | 30,927 | 30,693 | |
| Brucellosis reactors found..... | 280 | 260 | 214 | |
| Animals inspected at public stockyards..... | 68,039 | 62,918 | 62,813 | |
| Diseased animals received or found..... | 347 | 352 | 435 | |
| Supervision of production of veterinary biologics: | | | | |
| Hog-cholera virus and anti-hog-cholera serum..... | doses | 46,164 | 40,669 | 44,232 |
| Hog-cholera vaccine..... | do | 34,563 | 36,800 | 44,068 |
| Other vaccines..... | do | 2,644,260 | 2,369,890 | 3,676,452 |
| Total bacterins..... | do | 91,223 | 108,803 | 130,021 |
| Diagnostic agents..... | do | 66,694 | 66,791 | 75,281 |
| Other serums..... | do | 9,281 | 10,773 | 11,799 |

¹ Comparable data not available.

3. *Meat inspection.*—Federal meat inspection is required for all meat in interstate commerce and is conducted to assure a clean and wholesome meat supply for human consumption, free from adulteration, and truthfully labeled. The work includes inspection of animals, carcasses and meat, and meat-food products at various stages of handling and processing. Measures are enforced to insure informative labeling, and meats imported or exported are inspected.

The volume of inspections and examinations is indicated by examples given in the following table:

| | 1957 actual | 1958 actual | 1959 actual |
|---|-------------|-------------|-------------|
| Number of establishments covered..... | 1,244 | 1,300 | 1,334 |
| Cities in which plants are located..... | 502 | 518 | 546 |
| Inspections of live animals..... | 104,352,000 | 97,604,000 | 99,419,000 |
| Post mortem inspections..... | 104,345,000 | 97,599,000 | 99,415,000 |
| Animals and carcasses condemned..... | 301,000 | 264,000 | 242,000 |
| Inspection of processed meat and meat-food products (million pounds)..... | 17,804 | 16,792 | 17,618 |

4. Relation of costs to obligations.—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

| Selected resources at end of year: | 1958 actual | 1959 actual | 1960 estimate | 1961 estimate |
|---|----------------|----------------|------------------|------------------|
| Inventories and items on order: | | | | |
| Stores (goods unconsumed by projects) | \$404,387 | \$441,196 | \$441,195 | \$641,195 |
| Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received) | 9,814,593 | 5,783,693 | 8,019,193 | 5,429,193 |
| Advances (payments for goods and services on order not yet received) | 827,435 | 941,774 | 941,774 | 941,774 |
| Total selected resources at end of year | 11,046,415 | 7,166,662 | 9,402,162 | 7,012,162 |
| Selected resources at start of year | -11,046,415 | -7,166,662 | -9,402,162 | -9,402,162 |
| Adjustment of prior year costs and selected resources reported at start of year | 1,095,896 | ----- | ----- | ----- |
| Costs financed from obligations of other years, net (-) | -2,783,857 | ----- | ----- | -2,390,000 |
| Obligations incurred for costs of other years, net | ----- | 2,235,500 | ----- | ----- |

Object Classification

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|---------------|---------------|---------------|
| AGRICULTURAL RESEARCH SERVICE | | | |
| Total number of permanent positions | 16,321 | 16,459 | 16,486 |
| Full-time equivalent of all other positions | 1,310 | 1,127 | 1,015 |
| Average number of all employees | 15,627 | 15,778 | 15,833 |
| Number of employees at end of year | 17,501 | 17,819 | 17,937 |
| Average GS grade and salary | 7.5 | \$6,004 | 7.6 |
| Average salary of ungraded positions | 3,907 | 4,045 | 4,190 |
| 01 Personal services: | | | |
| Permanent positions | \$82,486,145 | \$85,727,500 | \$87,451,600 |
| Fees paid for services | 1,902,205 | ----- | ----- |
| Positions other than permanent | 3,344,844 | 3,974,700 | 3,629,600 |
| Other personal services | 1,347,237 | 1,731,500 | 1,382,400 |
| Total personal services | 89,080,431 | 91,433,700 | 92,463,600 |
| 02 Travel | 4,104,188 | 4,243,000 | 4,247,800 |
| 03 Transportation of things | 477,005 | 491,500 | 679,900 |
| 04 Communication services | 1,284,579 | 1,280,000 | 1,324,900 |
| 05 Rents and utility services | 984,284 | 1,143,000 | 1,192,700 |
| 06 Printing and reproduction | 697,078 | 732,500 | 745,200 |
| 07 Other contractual services | 9,340,803 | 11,889,000 | 12,191,600 |
| Services performed by other agencies | 4,641,291 | 4,479,500 | 4,583,300 |
| 08 Supplies and materials | 9,107,009 | 8,835,690 | 8,940,600 |
| 09 Equipment | 4,201,981 | 4,162,500 | 5,022,100 |
| 10 Lands and structures | 703,899 | 522,000 | 278,000 |
| 11 Grants, subsidies, and contributions | 5,056,838 | 5,351,500 | 5,471,000 |
| 13 Refunds, awards, and indemnities | 23,763 | 21,500 | 21,500 |
| Awards for employee suggestions | 37,640 | 43,000 | 43,000 |
| Anaplasmosis indemnities | 500 | 1,000 | 1,000 |
| Brucellosis indemnities | 2,410,509 | 1,700,000 | 1,420,000 |
| Scrapie indemnities | 293,039 | 150,000 | 150,000 |
| Tuberculosis indemnities | 478,285 | 440,000 | 440,000 |
| Payments to Mexican-United States Commission for the Prevention of Foot-and-Mouth Disease | ----- | ----- | ----- |
| 15 Federal tort claims | 532 | 20,000 | 20,000 |
| 15 Taxes and assessments | 199,376 | 209,800 | 185,900 |
| Subtotal | 133,123,030 | 137,149,190 | 139,422,100 |
| Deduct quarters and subsistence charges | 101,855 | 102,100 | 102,100 |
| Total, Agricultural Research Service | 133,021,175 | 137,047,090 | 139,320,000 |
| ALLOCATION ACCOUNTS | | | |
| Total number of permanent positions | 2 | ----- | ----- |
| Average number of all employees | 2 | ----- | ----- |
| Number of employees at end of year | 2 | ----- | ----- |
| Average GS grade and salary | 8.1 | \$6,598 | ----- |
| 01 Personal services: | | | |
| Permanent positions | \$8,175 | ----- | ----- |
| Other personal services | 1,819 | ----- | ----- |
| Total personal services | 9,994 | ----- | ----- |
| 02 Travel | 181 | \$2,000 | ----- |
| 05 Rents and utility services | 693 | ----- | ----- |
| 06 Printing and reproduction | ----- | 5,000 | ----- |
| 07 Other contractual services | 25,675 | 243,000 | ----- |
| 08 Supplies and materials | 301 | ----- | ----- |
| 10 Lands and structures | 222,283 | 2,550,000 | ----- |
| 11 Grants, subsidies, and contributions | 533 | ----- | ----- |
| Total, allocation accounts | 259,660 | 2,800,000 | ----- |
| Total obligations | 133,280,835 | 139,847,090 | \$139,320,000 |
| Obligations are distributed as follows: | | | |
| Agricultural Research Service | \$133,021,175 | \$137,047,090 | \$139,320,000 |
| General Services Administration | 233,322 | 2,800,000 | ----- |
| Bureau of Public Roads, Department of Commerce | 26,338 | ----- | ----- |

SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY PROGRAM)

For purchase of foreign currencies which accrue under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704), for market development research authorized by section 104(a), and for agricultural and forestry research authorized by section 104(k) of that Act, to remain available until expended, \$15,131,500, of which not less than \$7,662,500 shall be available to purchase currencies which the Treasury Department shall determine to be excess to normal requirements of the United States: Provided, That this appropriation shall not be used for the purchase of currencies available in the Treasury for the purposes of section 104(f) of such Act unless such currencies are excess to the normal requirements of the United States: Provided further, That the dollar value of the unexpended balances, as of June 30, 1960, of allocations of foreign currencies heretofore made available to the Agricultural Research Service for the foregoing purposes of section 104(a) is appropriated as of that date and shall be merged with this appropriation.

Appropriated (est.) 1960, \$17,637,743 Estimate 1961, \$15,131,500

Program and Financing

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|-------------|---------------|---------------|
| Program by activities: | | | |
| 1. Market development research (sec. 104(a)) | | \$218,195 | \$2,800,000 |
| 2. Agricultural and forest research (sec. 104(k)) | | 1,700 | 780,000 |
| Total program costs | | 219,895 | 3,580,000 |
| 3. Relation of costs to obligations: Obligations incurred for costs of other years (unpaid undelivered orders), net | | 1,433,633 | 18,337,831 |
| Total program (obligations) | | 1,653,528 | 21,917,831 |
| Financing: | | | |
| Unobligated balance brought forward | | -28,516 | -5,973,031 |
| Comparative transfer from (-) other accounts | | -1,700 | -3,888,300 |
| Adjustment due to changes in exchange rates to permit conversion to dollar equivalent | | 141 | ----- |
| Unobligated balance carried forward | | 5,973,031 | ----- |
| Authorization to expend foreign currency receipts (net of proposed appropriation to cover balances as of June 30, 1960) | | -7,596,484 | 5,581,243 |
| New obligational authority | | ----- | 17,637,743 |
| New obligational authority: | | | |
| Indefinite (proposed in appropriation language above) | | | \$17,637,743 |
| Definite | | | \$15,131,500 |
| Appropriation: | | | |
| | | 17,637,743 | 15,131,500 |

Note.—The gross foreign currency authorization in 1960 is \$12,056,500. The schedule above covers foreign currency authorizations for 1959 and 1960. The appropriation recommended for 1960 is equal to the unexpended balance of previous foreign currency authorizations as of June 30, 1960. All transactions in 1961 relate to appropriations.

Foreign currencies, generated by the sale of surplus agricultural commodities under title I of the Agricultural Trade Development and Assistance Act of 1954, are used by the Department for market development research under section 104(a) and for agricultural and forest research under section 104(k). Work is carried on through contracts or grants, in both basic and applied fields, by research institutions and organizations in foreign countries. This research serves to develop new foreign markets and to expand existing markets for agricultural commodities, including cotton, dairy products, fats and oils, grain, feed, livestock and meat, poultry, fruits and vegetables, and tobacco. It also provides for supplementary research on farm, forest, marketing, utilization, and human nutrition problems. It is estimated that \$15.1 million will be available in 1961 for such research. Total estimated cost in U.S. dollars (charged to regular appropriations) of the initiation and supervision of projects in 1961 is \$250,000.

3. Relation of costs to obligations.—Year-end balances of unpaid undelivered orders (representing primarily work under contract not performed) are as follows: 1958, \$371,484; 1959, \$1,805,117; 1960, \$20,142,948; 1961, \$26,874,448.

AGRICULTURAL RESEARCH SERVICE—Continued**Current authorizations—Continued****SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY PROGRAM)—Continued**

| Object Classification | | | |
|--|-------------|---------------|---------------|
| | 1959 actual | 1960 estimate | 1961 estimate |
| Full-time equivalent of all other positions..... | 1 | 2 | 7 |
| Average number of all employees..... | 1 | 2 | 7 |
| Number of employees at end of year..... | 1 | 2 | 7 |
| Average GS grade and salary..... | 7.5 | \$6,004 | 7.6 \$6,045 |
| 01 Personal services: | | | |
| Positions other than permanent..... | \$1,175 | \$4,200 | \$14,000 |
| Other personal services..... | 6,359 | 10,700 | 15,000 |
| Total personal services..... | 7,534 | 14,900 | 29,000 |
| 02 Travel..... | 40,195 | 80,000 | 80,000 |
| 03 Transportation of things..... | 8,149 | 12,000 | 4,000 |
| 04 Communication services..... | 650 | 1,000 | 2,000 |
| 06 Printing and reproduction..... | | 1,000 | 1,000 |
| 07 Other contractual services..... | 1,588,526 | 21,733,431 | 14,940,000 |
| Services performed by other agencies..... | 8,434 | 75,000 | 75,000 |
| 08 Supplies and materials..... | 40 | 500 | 500 |
| Total obligations..... | 1,653,528 | 21,917,831 | 15,131,500 |

Analysis of Expenditures

| | | | |
|---|------------|-------------|--|
| Obligated balance start of year..... | \$371,484 | \$1,828,212 | |
| Obligations incurred during the year, net..... | 1,651,828 | 18,029,531 | |
| Obligated balance end of year..... | -1,828,212 | | |
| Obligated balance, end of year, transferred to appropriation..... | | -17,637,743 | |
| Expenditures..... | 195,100 | 2,220,000 | |

Status of Unfunded Allocations

| | | | |
|--|------------|-------------|--|
| Unfunded balance, start of year..... | \$400,000 | \$2,109,372 | |
| Allocations..... | 7,596,484 | 12,056,500 | |
| Adjustment due to changes in exchange rates to permit conversion to dollar equivalent..... | -141 | | |
| Unfunded balance, end of year..... | -2,109,372 | | |
| Transfers into agency account..... | 5,886,971 | 14,165,872 | |

CONSTRUCTION OF FACILITIES

For construction of facilities and acquisition of the necessary land therefor by donation, \$900,000, to remain available until expended. (5 U.S.C. 565a.)

Estimate 1961, \$900,000

Program and Financing

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|-------------|---------------|---------------|
| Program by activities: | | | |
| 1. Construction of facilities for entomology research (total program costs) | | | \$60,000 |
| 2. Relation of costs to obligations: Obligations incurred for costs of other years (unpaid undelivered orders), net..... | | | 840,000 |
| Total obligations..... | | 900,000 | |
| Financing: | | | |
| Appropriation (new obligational authority)..... | | | 900,000 |

The proposed appropriation would provide facilities for entomology research to replace those currently in use at Orlando, Fla. When the replacement is completed, sale of the present property is anticipated, thus offsetting a part of the cost of the new facilities.

2. **Relation of costs to obligations.**—The year-end balance of unpaid undelivered orders for 1961 is estimated to be \$840,000.

| Object Classification | | | |
|------------------------------------|-------------|---------------|---------------|
| | 1959 actual | 1960 estimate | 1961 estimate |
| 07 Other contractual services..... | | | \$60,000 |
| 10 Lands and structures..... | | | 840,000 |
| Total obligations..... | | | 900,000 |

STATE EXPERIMENT STATIONS

Payments to States [Hawaii,] and Puerto Rico: For payments to agricultural experiment stations to carry into effect the provisions of the Hatch Act, approved March 2, 1887, as amended by the Act approved August 11, 1955 (7 U.S.C. 361a-361i), including administration by the United States Department of Agriculture, [§31,053,708] §32,053,708; and payments authorized under section 204(b) of the Agricultural Marketing Act, the Act approved August 14, 1946 (7 U.S.C. 1623), \$500,000; in all, [§31,553,708] §32,553,708.

Penalty mail: For penalty mail costs of agricultural experiment stations under section 6 of the Hatch Act of 1887, as amended, \$250,000. (39 U.S.C. 321q; Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.)

Appropriated 1960, \$31,803,708

Estimate 1961, \$32,803,708

Program and Financing

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|--------------|---------------|---------------|
| Program by activities: | | | |
| 1. Payments to States and Puerto Rico: | | | |
| (a) Payments to agricultural experiment stations..... | \$30,804,158 | \$30,845,708 | \$31,815,708 |
| (b) Federal administration..... | 660,986 | 708,000 | 738,000 |
| 2. Penalty mail..... | 250,000 | 250,000 | 250,000 |
| Total program costs !..... | 31,715,144 | 31,803,708 | 32,803,708 |
| 3. Relation of costs to obligations: Obligations incurred for costs of other years, net..... | 29,351 | | |
| Total program (obligations)..... | 31,744,495 | 31,803,708 | 32,803,708 |
| Financing: | | | |
| Unobligated balance no longer available..... | 59,213 | | |
| Appropriation (new obligational authority)..... | 31,803,708 | 31,803,708 | 32,803,708 |

¹ Includes capital outlay as follows: June 30, 1959, \$3,934; 1960, \$9,000; 1961, \$4,900.

Funds are allocated to agricultural experiment stations of the land-grant colleges in the States and Puerto Rico for agricultural research, including investigations and experiments to promote a permanent and efficient agricultural industry and improvements in the rural home and rural life. The States are contributing about \$3 for every \$1 paid by the Federal Government.

The proposed increase is to strengthen the cooperative research program at the agricultural experiment stations in the States and Puerto Rico.

The planned distribution of the grants for 1961 is:

| | |
|---|--------------|
| Distributed according to statutory formula..... | \$25,165,708 |
| Regional research funds..... | 6,150,000 |
| Payments authorized for marketing projects..... | 500,000 |
| Total..... | 31,815,708 |

3. **Relation of costs to obligations.**—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

| | 1958 actual | 1959 actual | 1960 estimate | 1961 estimate |
|---|----------------|----------------|------------------|------------------|
| Selected resources at end of year: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)..... | \$1,676 | \$592 | \$592 | \$592 |
| Selected resources at start of year (—)..... | -1,676 | -592 | -592 | -592 |
| Adjustment of prior year costs and selected resources reported at start of year..... | 30,435 | | | |
| Obligations incurred for costs of other years, net..... | 29,351 | | | |

Object Classification

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|-------------|---------------|---------------|
| Total number of permanent positions | 75 | 73 | 76 |
| Full-time equivalent of all other positions | 1 | 1 | 1 |
| Average number of all employees | 67 | 65 | 68 |
| Number of employees at end of year | 71 | 72 | 75 |
| Average GS grade and salary | 7.5 | \$6,004 | 7.6 \$6,045 |
| 01 Personal services: | | | |
| Permanent positions | \$490,040 | \$500,700 | \$524,300 |
| Positions other than permanent | 4,466 | 5,600 | 5,600 |
| Other personal services | 2,359 | 4,700 | 2,500 |
| Total personal services | 496,865 | 511,000 | 532,400 |
| 02 Travel | 73,148 | 75,000 | 77,000 |
| 03 Transportation of things | | 100 | 300 |
| 04 Communication services | 255,295 | 256,000 | 256,200 |
| 05 Rents and utility services | 10 | | |
| 06 Printing and reproduction | 5,823 | 8,000 | 8,200 |
| 07 Other contractual services | 3,177 | 3,000 | 7,000 |
| Services performed by other agencies | 49,820 | 57,000 | 60,700 |
| 08 Supplies and materials | 3,455 | 6,700 | 7,600 |
| 09 Equipment | 4,395 | 9,000 | 4,900 |
| 11 Grants, subsidies, and contributions | 31,222 | 32,000 | 33,500 |
| Payments to agricultural experiment stations | 30,821,089 | 30,845,708 | 31,815,708 |
| 13 Refunds, awards, and indemnities | 6 | | |
| 15 Taxes and assessments | 190 | 200 | 200 |
| Total obligations | 31,744,495 | 31,803,708 | 32,803,708 |

DISEASES OF ANIMALS AND POULTRY

Eradication activities: For expenses necessary in the arrest and eradication of foot-and-mouth disease, rinderpest, contagious pleuropneumonia, or other contagious or infectious diseases of animals, or European fowl pest and similar diseases in poultry, and for foot-and-mouth disease and rinderpest programs undertaken pursuant to the provisions of the Act of February 28, 1947, and the Act of May 29, 1884, as amended (7 U.S.C. 391; 21 U.S.C. 111-122), including expenses in accordance with section 2 of said Act of February 28, 1947, the Secretary may transfer from other appropriations or funds available to the bureaus, corporations, or agencies of the Department such sums as he may deem necessary, to be available only in an emergency which threatens the livestock or poultry industry of the country, and any unexpended balances of funds transferred under this head in the next preceding fiscal year shall be merged with such transferred amounts: *Provided*, That this appropriation shall be subject to applicable provisions contained in the item "Salaries and expenses, Agricultural Research Service". (Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.)

Program and Financing

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|-------------|---------------|---------------|
| Program by activities: | | | |
| 1. Eradication of vesicular exanthema of swine (total program costs ¹) | \$1,012,565 | \$41,976 | ----- |
| 2. Relation of costs to obligations: | | | |
| Costs financed from obligations of other years, net (-) | | -41,976 | ----- |
| Obligations incurred for costs of other years, net | 7,867 | | ----- |
| Total program (obligations) (advanced from Commodity Credit Corporation) | 1,020,432 | | ----- |
| Financing: | | | |
| Advances (repayable to Commodity Credit Corporation) | -990,807 | | ----- |
| Reappropriation (new obligational authority) | 29,625 | | ----- |

¹ Includes capital outlay as follows: June 30, 1959, \$13,482; 1960, \$21,305.

1. *Eradication of vesicular exanthema of swine.*—Funds for carrying out the program for the eradication of vesicular exanthema of swine were transferred from the Commodity Credit Corporation through 1959. Corporate funds so used have been repaid from specific appropriations for that purpose. Beginning in 1960, funds for this activity were included in the appropriation Salaries and expenses, Agricultural Research Service, plant and animal disease and pest control.

2. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

| | 1958 actual | 1959 actual | 1960 estimate | 1961 estimate |
|--|----------------|----------------|------------------|------------------|
| Selected resources at end of year: | | | | |
| Unpaid undelivered orders (appropriation balances obligated for goods and services not yet received) | | | \$46,863 | \$40,053 |
| Advances (payments for goods and services on order not yet received) | | | ----- | 1,923 |
| Total selected resources at end of year | 46,863 | 41,976 | ----- | ----- |
| Selected resources at start of year (-) | | | | |
| Adjustment of prior year costs and selected resources reported at start of year | 12,754 | ----- | ----- | ----- |
| Costs financed from obligations of other years, net (-) | | | | |
| Obligations incurred for costs of other years, net | 7,867 | ----- | -41,976 | ----- |
| Object Classification | | | | |
| | 1959 actual | 1960 estimate | 1961 estimate | |
| Total number of permanent positions | 105 | | | |
| Full-time equivalent of all other positions | 1 | | | |
| Average number of all employees | 90 | | | |
| Number of employees at end of year | 70 | | | |
| Average GS grade and salary | 7.5 | \$6,004 | | |
| Average salary of ungraded positions | | \$3,907 | | |
| 01 Personal services: | | | | |
| Permanent positions | \$442,778 | | | |
| Positions other than permanent | 490 | | | |
| Other personal services | 2,110 | | | |
| Total personal services | 445,378 | | | |
| 02 Travel | 62,441 | | | |
| 03 Transportation of things | 796 | | | |
| 04 Communication services | 5,939 | | | |
| 05 Rents and utility services | 256 | | | |
| 06 Printing and reproduction | 833 | | | |
| 07 Other contractual services | 16,910 | | | |
| Services performed by other agencies | 389,545 | | | |
| 08 Supplies and materials | 38,357 | | | |
| 09 Equipment | 33,953 | | | |
| 11 Grants, subsidies, and contributions | 23,241 | | | |
| 13 Refunds, awards, and indemnities | 909 | | | |
| 15 Taxes and assessments | 1,874 | | | |
| Total obligations | 1,020,432 | | | |

ANIMAL DISEASE LABORATORY FACILITIES

Program and Financing

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|-------------|---------------|---------------|
| Program by activities: | | | |
| 1. Facility for animal disease research and control (total program costs—capital outlay) | \$4,833,419 | \$8,576,210 | \$2,603,043 |
| 2. Relation of costs to obligations: | | | |
| Costs financed from obligations of other years (unpaid undelivered orders), net (-) | | -8,230,000 | -1,883,043 |
| Obligations incurred for costs of other years (unpaid undelivered orders), net | 9,751,843 | ----- | ----- |
| Total program (obligations) | 14,585,262 | 346,210 | 720,000 |
| Financing: | | | |
| Unobligated balance brought forward | -15,651,472 | -1,066,210 | -720,000 |
| Unobligated balance carried forward | 1,066,210 | 720,000 | ----- |
| Appropriation (new obligational authority) | | | |

In previous years, \$16,500,000 had been provided for establishment of animal disease research and control laboratory facilities. Construction of the facilities at Ames, Iowa, was started in August 1958. Completion is expected early in 1961.

2. *Relation of costs to obligations.*—The year-end balances of unpaid undelivered orders are as follows: 1958, \$361,200; 1959, \$10,113,043; 1960, \$1,883,043.

AGRICULTURAL RESEARCH SERVICE—Continued**Current authorizations—Continued****ANIMAL DISEASE LABORATORY FACILITIES—Continued****Object Classification**

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|-------------|---------------|---------------|
| AGRICULTURAL RESEARCH SERVICE | | | |
| Total number of permanent positions..... | 2 | | |
| Average number of all employees..... | 2 | | |
| Number of employees at end of year..... | 2 | | |
| Average GS grade and salary..... | 7.5 \$6,004 | | |
| 01 Personal services: | | | |
| Permanent positions..... | \$20,575 | | |
| Other personal services..... | 539 | | |
| Total personal services..... | 21,114 | | |
| 02 Travel..... | 1,686 | | |
| 07 Other contractual services..... | 43 | | |
| 09 Equipment..... | | \$171,967 | \$698,000 |
| 11 Grants, subsidies, and contributions..... | 1,662 | | |
| Total, Agricultural Research Service..... | 24,505 | 171,967 | 698,000 |
| ALLOCATION TO GENERAL SERVICES ADMINISTRATION | | | |
| 02 Travel..... | 504 | 1,000 | |
| 03 Transportation of things..... | 60 | | |
| 04 Communication services..... | 512 | | |
| 06 Printing and reproduction..... | 19,699 | 1,000 | |
| 07 Other contractual services..... | 160,337 | 64,000 | 22,000 |
| 08 Supplies and materials..... | 95 | | |
| 10 Lands and structures..... | 14,379,550 | 108,243 | |
| Total, General Services Administration..... | 14,560,757 | 174,243 | 22,000 |
| Total obligations..... | 14,585,262 | 346,210 | 720,000 |

RESEARCH FACILITIES**Program and Financing**

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|-------------|---------------|---------------|
| Program by activities: | | | |
| 1. Facilities for research on foot-and-mouth and other diseases of animals (total program costs—capital outlay)..... | \$103,544 | \$86,668 | |
| 2. Relation of costs to obligations: | | | |
| Costs financed from obligations of other years (unpaid undelivered orders), net (—)..... | | —70,923 | |
| Obligations incurred for costs of other years (unpaid undelivered orders), net..... | 28,838 | | |
| Total program (obligations)..... | 132,382 | 15,745 | |
| Financing: | | | |
| Unobligated balance brought forward | —148,127 | —15,745 | |
| Unobligated balance carried forward..... | 15,745 | | |
| Appropriation (new obligational authority)..... | | | |

The research laboratory and related facilities for investigation of foot-and-mouth and other animal diseases, for which \$10 million was appropriated in 1952, is now in use. Construction of an animal holding facility in 1960 will complete this installation.

2. *Relation of costs to obligations.*—The year-end balances of unpaid undelivered orders are as follows: 1958, \$42,085; 1959, \$70,923.

Object Classification

| | 1959 actual | 1960 estimate | 1961 estimate |
|----------------------------------|-------------|---------------|---------------|
| Object Classification | | | |
| 03 Transportation of things..... | \$21 | | |
| 08 Supplies and materials..... | 13,868 | \$15,745 | |
| 10 Lands and structures..... | 118,493 | | |
| Total obligations..... | 132,382 | 15,745 | |

ALLOCATIONS AND ALLOTMENTS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allocations and allotments from other accounts are included in the schedules of the parent appropriations as follows:
 "Watershed protection," Soil Conservation Service.
 "Mutual security—economic," funds appropriated to the President.
 "Translation of publications and scientific cooperation," funds appropriated to the President.
 "United States dollars advanced from foreign governments, United States educational exchange program," Department of State.
 "Salaries and expenses," Office of Civil and Defense Mobilization.
 "Civil defense and defense mobilization functions of Federal agencies," funds appropriated to the President.

Permanent authorizations:**ALTERATIONS AND IMPROVEMENTS, ANIMAL QUARANTINE STATION, CLIFTON, NEW JERSEY**

(Special fund)

Appropriated 1960, \$30,000

Program and Financing

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|-------------|---------------|---------------|
| Program by activities: | | | |
| Alterations and improvements (total costs—obligations)..... | | | \$30,000 |
| Financing: | | | |
| Appropriation (new obligational authority)..... | | | 30,000 |

Under authority of the act of August 20, 1958 (72 Stat. 680), approximately 7 acres of land at the U.S. Animal Quarantine Station, Clifton, N.J., have been conveyed to the city of Clifton. The Federal Government received \$83,400 for this land, of which \$30,000 was deposited on August 19, 1959, to a special account for alterations of buildings, facilities, and improvements on the remaining land at the station.

Object Classification

| | 1959 actual | 1960 estimate | 1961 estimate |
|------------------------------------|-------------|---------------|---------------|
| 07 Other contractual services..... | | | \$17,500 |
| 08 Supplies and materials..... | | | 12,500 |
| Total obligations..... | | | 30,000 |

Intragovernmental funds:**WORKING CAPITAL FUND, AGRICULTURAL RESEARCH CENTER**

This fund finances, on a reimbursable basis, central facilities and services furnished to agencies at the Agricultural Research Center (64 Stat. 658). The capital consists of \$300,000 appropriated in 1951 and donated assets of \$230,250 as of June 30, 1959. Earnings are retained to furnish adequate working capital.

Sources and Application of Funds (Operations)

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|-------------|---------------|---------------|
| Gross expenditures (funds applied): | | | |
| Acquisition of equipment..... | \$81,011 | \$60,000 | \$60,000 |
| Purchase of material and supplies..... | 1,004,862 | 1,012,314 | 1,000,000 |
| Other expenses..... | 2,311,379 | 2,450,000 | 2,464,100 |
| Increase in selected working capital..... | | 2,000 | 2,000 |
| Total gross expenditures..... | 3,397,252 | 3,524,314 | 3,526,100 |
| Receipts from operations (funds provided): | | | |
| Sales of goods and services..... | 3,343,032 | 3,487,700 | 3,511,800 |
| Rental income from quarters..... | 12,147 | 12,300 | 12,300 |
| Proceeds from sale of equipment..... | 19,105 | 2,000 | 2,000 |
| Decrease in selected working capital..... | 133,408 | | |
| Total receipts from operations..... | 3,507,692 | 3,502,000 | 3,526,100 |
| Budget expenditures..... | | | |
| | —110,440 | 22,314 | |

| Revenue, Expense, and Retained Earnings | | | |
|---|-------------|---------------|---------------|
| | 1959 actual | 1960 estimate | 1961 estimate |
| Revenue..... | \$3,355,179 | \$3,500,000 | \$3,524,100 |
| Expense..... | 3,331,614 | 3,490,000 | 3,504,100 |
| Net operating income..... | 23,565 | 10,000 | 20,000 |
| Nonoperating income: | | | |
| Proceeds from sale of equipment..... | 19,105 | 2,000 | 2,000 |
| Net book value of assets sold (-)..... | -19,105 | -2,000 | -2,000 |
| Net nonoperating income..... | | | |
| Net income for the year..... | 23,565 | 10,000 | 20,000 |
| Retained earnings, beginning of year..... | 15,801 | 39,366 | 49,366 |
| Retained earnings, end of year..... | 39,366 | 49,366 | 69,366 |

Financial Condition

| Assets: | | | |
|----------------------------------|-----------|-----------|-----------|
| Cash with Treasury..... | \$414,499 | \$392,185 | \$392,185 |
| Accounts receivable..... | 228,211 | 228,000 | 228,000 |
| Materials and supplies..... | 123,454 | 135,768 | 135,768 |
| Equipment, net..... | 226,486 | 244,486 | 262,486 |
| Total assets..... | 992,650 | 1,000,439 | 1,018,439 |
| Liabilities: | | | |
| Current..... | 423,034 | 420,823 | 418,823 |
| Government investment: | | | |
| Non-interest bearing capital: | | | |
| Start of year..... | 508,077 | 530,250 | 530,250 |
| Donated capital during year..... | 22,173 | | |
| End of year..... | 530,250 | 530,250 | 530,250 |
| Retained earnings..... | 39,366 | 49,366 | 69,366 |
| Total Government investment..... | 569,616 | 579,616 | 599,616 |

NOTE.—Unpaid undelivered orders are as follows: June 30, 1958, \$118,029; 1959, \$95,186; 1960, \$100,000; and 1961, \$100,000.

Object Classification

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|-------------|---------------|---------------|
| Total number of permanent positions..... | 341 | 342 | 342 |
| Full-time equivalent of all other positions..... | 54 | 55 | 55 |
| Average number of all employees..... | 390 | 387 | 387 |
| Number of employees at end of year..... | 405 | 410 | 410 |
| Average GS grade and salary..... | 7.5 | \$6,004 | 7.6 |
| Average salary of ungraded positions..... | | \$3,907 | \$4,097 |
| 01 Personal services: | | | |
| Permanent positions..... | \$1,587,492 | \$1,640,500 | \$1,647,800 |
| Positions other than permanent..... | 212,215 | 215,000 | 215,000 |
| Other personal services..... | 47,931 | 55,000 | 47,700 |
| Excess of annual leave earned over leave taken..... | 14,081 | | |
| Total personal services..... | 1,861,719 | 1,910,500 | 1,910,500 |
| 02 Travel..... | 147 | 200 | 200 |
| 03 Transportation of things..... | 2,926 | 2,800 | 2,800 |
| 04 Communication services..... | 123,059 | 125,000 | 125,000 |
| 05 Rents and utility services..... | 159,877 | 170,000 | 170,000 |
| 06 Printing and reproduction..... | 2,394 | 2,300 | 2,300 |
| 07 Other contractual services..... | 54,053 | 115,828 | 114,800 |
| 08 Supplies and materials..... | 994,136 | 1,027,000 | 1,025,000 |
| 09 Equipment..... | 50,061 | 60,000 | 60,000 |
| 10 Lands and structures..... | 16,720 | | |
| 11 Grants, subsidies, and contributions..... | 101,737 | 107,000 | 107,000 |
| 13 Refunds, awards, and indemnities..... | 1,184 | | |
| 15 Taxes and assessments..... | 6,339 | 6,500 | 6,500 |
| Total obligations..... | 3,374,332 | 3,527,128 | 3,524,100 |

ADVANCES AND REIMBURSEMENTS

Program and Financing

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|-------------|---------------|---------------|
| Program by activities: | | | |
| 1. Research..... | \$929,977 | \$991,700 | \$1,029,500 |
| 2. Plant and animal disease and pest control..... | 879,614 | 461,000 | 461,000 |
| 3. Meat inspection..... | 6,729,898 | 6,564,000 | 6,564,000 |
| 4. Miscellaneous services to other accounts..... | 149,702 | 122,300 | 122,800 |
| Total program (costs—obligations)..... | 8,689,191 | 8,139,000 | 8,177,300 |

Program and Financing—Continued

| | 1959 actual | 1960 estimate | 1961 estimate |
|-----------------------------------|-------------|---------------|---------------|
| Financing: | | | |
| Advances and reimbursements from— | | | |
| Other accounts..... | \$3,096,800 | \$2,528,826 | \$2,566,280 |
| Non-Federal sources..... | 5,592,391 | 5,610,174 | 5,611,020 |
| Total financing..... | 8,689,191 | 8,139,000 | 8,177,300 |

NOTE.—Reimbursements from non-Federal sources above are from proceeds of sales of charts (7 U.S.C. 1387) and personal property (40 U.S.C. 481(c)); from payments by non-Federal agencies for overtime work and travel performed at meat-packing establishments and veterinary biological establishments and for animal and plant quarantine inspection (5 U.S.C. 576; 7 U.S.C. 394, 396); from cooperating State, county, municipal, and private organizations for soil and water conservation work (16 U.S.C. 590a); and from refunds of terminal leave payments (5 U.S.C. 61(b)).

Object Classification

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|-------------|---------------|---------------|
| Total number of permanent positions..... | 50 | 50 | 54 |
| Full-time equivalent of all other positions..... | 5 | 4 | 3 |
| Average number of all employees..... | 550 | 468 | 467 |
| Number of employees at end of year..... | 56 | 54 | 56 |
| Average GS grade and salary..... | 7.5 | \$6,004 | 7.6 |
| 01 Personal services: | | | |
| Permanent positions..... | \$3,340,550 | \$2,860,434 | \$2,886,885 |
| Positions other than permanent..... | 24,584 | 18,720 | 13,920 |
| Other personal services..... | 4,547,712 | 4,535,346 | 4,500,895 |
| Total personal services..... | 7,912,846 | 7,414,500 | 7,401,700 |
| 02 Travel..... | 42,037 | 35,000 | 38,800 |
| 03 Transportation of things..... | 2,251 | 2,250 | 7,750 |
| 04 Communication services..... | 13,160 | 9,225 | 10,425 |
| 05 Rents and utility services..... | 36,894 | 33,050 | 33,050 |
| 06 Printing and reproduction..... | 12,022 | 12,300 | 12,300 |
| 07 Other contractual services..... | 79,717 | 60,145 | 92,745 |
| Services performed by other agencies..... | 61,394 | 52,100 | 52,000 |
| 08 Supplies and materials..... | 169,054 | 217,440 | 219,940 |
| 09 Equipment..... | 174,009 | 123,390 | 128,090 |
| 11 Grants, subsidies, and contributions..... | 183,371 | 177,500 | 178,400 |
| 15 Taxes and assessments..... | 2,436 | 2,100 | 2,100 |
| Total obligations..... | 8,689,191 | 8,139,000 | 8,177,300 |

EXTENSION SERVICE

Current authorizations:

COOPERATIVE EXTENSION WORK, PAYMENTS AND EXPENSES

Payments to States, Hawaii, and Puerto Rico: For payments for cooperative agricultural extension work under the Smith-Lever Act, as amended by the Act of June 26, 1953 (7 U.S.C. 341-348), and the Act of August 11, 1955 (7 U.S.C. 347a), [\$52,220,000] \$55,085,000; and payments and contracts for such work under section 204(b)-205 of the Agricultural Marketing Act of 1946 (7 U.S.C. 1623-1624), \$1,495,000; in all, [\$53,715,000] \$56,580,000: Provided, That funds hereby appropriated pursuant to section 3(e) of the Act of June 26, 1953, shall not be paid to any State, Hawaii, or Puerto Rico prior to availability of an equal sum from non-Federal sources for expenditure during the current fiscal year.

Retirement costs for extension agents: For cost of employer's share of Federal retirement for cooperative extension employees, [\$5,674,375] \$5,961,000.

Penalty mail: For costs of penalty mail for cooperative extension agents and State extension directors, \$2,491,307.

Federal Extension Service: For administration of the Smith-Lever Act, as amended by the Act of June 26, 1953 (7 U.S.C. 341-348), and the Act of August 11, 1955 (7 U.S.C. 347a), and extension aspects of the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627), and to coordinate and provide program leadership for the extension work of the Department and the several States, Territories, and insular possessions, [\$2,242,540] \$2,392,660. (39 U.S.C. 321i, 321n, 321p-q; Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.)

Appropriated 1960, \$64,123,222

Estimate 1961, \$67,424,967

EXTENSION SERVICE—Continued

Current authorizations—Continued

COOPERATIVE EXTENSION WORK, PAYMENTS AND EXPENSES—Continued

Program and Financing

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|--------------|---------------|---------------|
| Program by activities: | | | |
| 1. Payments to States and Puerto Rico: | | | |
| (a) Payments for cooperative agricultural extension work under Smith-Lever Act..... | \$51,614,334 | \$52,220,000 | \$55,085,000 |
| (b) Payments and contracts under the Agricultural Marketing Act..... | 1,510,379 | 1,606,096 | 1,495,000 |
| 2. Retirement costs for extension agents..... | 5,365,243 | 5,674,375 | 5,961,000 |
| 3. Penalty mail..... | 2,491,307 | 2,491,307 | 2,491,307 |
| 4. Federal Extension Service..... | 2,238,265 | 2,242,540 | 2,392,660 |
| Total program costs ¹ | 63,219,528 | 64,234,318 | 67,424,967 |
| 5. Relation of costs to obligations: | | | |
| Costs financed from obligations of other years, net (-)..... | | -111,096 | |
| Obligations incurred for costs of other years, net..... | 35,197 | | |
| Total program (obligations)..... | 63,254,725 | 64,123,222 | 67,424,967 |
| Financing: | | | |
| Unobligated balance no longer available..... | 464,352 | | |
| New obligational authority..... | 63,719,077 | 64,123,222 | 67,424,967 |
| New obligational authority: | | | |
| Appropriation..... | \$63,159,395 | \$64,123,222 | \$67,424,967 |
| Transferred from "Conservation reserve program," Commodity Stabilization Service (73 Stat. 34)..... | 559,682 | | |
| Appropriation (adjusted)..... | 63,719,077 | 64,123,222 | 67,424,967 |

¹ Includes capital outlay as follows: June 30, 1959, \$26,822; 1960, \$16,000; 1961, \$14,000.

The primary function of the nationwide system of cooperative extension work is out-of-school applied education in agriculture, home economics, and related subjects. This educational activity takes research results, technological advancements, and situation and program facts of the Department of Agriculture, the State agricultural colleges, and experiment stations, and incorporates them into a national educational program. Its objective is to help people develop their abilities to attain greater efficiency in farming, marketing, and homemaking.

1. Payments to States and Puerto Rico.—Funds appropriated under the Smith-Lever Act for payments to States and Puerto Rico are distributed primarily on the basis of farm and rural population and to a limited degree on the basis of special problems and needs. Funds appropriated under the Agricultural Marketing Act for educational work in marketing are distributed to the States and Puerto Rico on a matching basis under approved projects and on the basis of contracts. Funds are used primarily for the employment of county extension workers who work with rural families, marketing concerns, and others by providing counsel and assistance in the application of improved methods of production, marketing, and family living. They assist local leadership to determine extension programs of work. Work with youth is largely through 4-H Clubs.

The proposed increase is for payments for cooperative agricultural extension work under the Smith-Lever Act to strengthen and expand extension work with disadvantaged agricultural families in connection with the Administration's rural development program.

The scope of extension activities is reflected in the following selected statistics:

| | [In thousands] | 1956 | 1957 | 1958 |
|--|----------------|--------|--------|--------|
| Number of families assisted in adopting improved agricultural practices..... | | 6,406 | 6,819 | 7,947 |
| Number of families assisted in adopting improved homemaking practices..... | | 6,539 | 6,873 | 7,475 |
| Number of 4-H Club members..... | | 2,164 | 2,201 | 2,254 |
| Number of voluntary local leaders..... | | 1,267 | 1,262 | 1,281 |
| Number of bulletins distributed..... | | 29,200 | 30,894 | 32,873 |

2. Retirement costs for extension agents.—The amount proposed is required to meet retirement costs of cooperative extension agents as authorized under Public Law 854, approved July 31, 1956. Cooperative extension agents are joint employees of the U.S. Department of Agriculture and the cooperating land-grant institutions. The employer's contribution to the Federal retirement fund, to match contributions of these agents, is provided by Federal appropriation.

3. Penalty mail.—Funds to cover the cost of penalty mailings for State extension directors and cooperative extension agents in the States are provided under this appropriation.

4. Federal Extension Service.—The Federal Extension Service provides leadership, counsel, and assistance to the States and Puerto Rico in developing extension programs, improved teaching methods, efficient use of available resources, evaluation of programs, in-service training for extension personnel, and providing administrative services. The proposed increase will strengthen the Federal staff of the Extension Service to meet increased responsibilities resulting from requests from the States for increased program leadership and assistance.

5. Relation of costs to obligations.—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

| | 1958 actual | 1959 actual | 1960 estimate | 1961 estimate |
|--|----------------|----------------|------------------|------------------|
| Selected resources at end of year: Inventories and items on order: | | | | |
| Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)..... | \$212,894 | \$185,203 | \$89,679 | \$89,679 |
| Advances (payments for goods and services on order not yet received)..... | 41,494 | 46,572 | 31,000 | 31,000 |
| Total selected resources at end of year..... | 254,388 | 231,775 | 120,679 | 120,679 |
| Selected resources at start of year (-)..... | -254,388 | -231,775 | -120,679 | -120,679 |
| Adjustment of prior year costs and selected resources reported at start of year..... | | 57,810 | | |
| Costs financed from obligations of other years, net (-)..... | | -111,096 | | |
| Obligations incurred for costs of other years, net..... | 35,197 | | | |

| | Object Classification | 1959 actual | 1960 estimate | 1961 estimate |
|--|-----------------------|-------------|---------------|---------------|
| Total number of permanent positions..... | | | | |
| Full-time equivalent of all other positions..... | 244 | 238 | 246 | |
| Average number of all employees..... | 1 | 1 | | |
| Number of employees at end of year..... | 233 | 232 | 241 | |
| Average GS grade and salary..... | 236 | 237 | 244 | |
| 01 Personal services: | | | | |
| Permanent positions..... | \$1,693,423 | \$1,701,127 | \$1,785,502 | |
| Positions other than permanent..... | 3,996 | 2,506 | | |
| Other personal services..... | 13,729 | 19,342 | 13,271 | |
| Total personal services..... | 8,711,148 | 1,722,975 | 1,798,773 | |
| 02 Travel..... | 215,393 | 216,000 | 233,400 | |
| 03 Transportation of things..... | 20,841 | 21,000 | 28,000 | |
| 04 Communication services: | | | | |
| Penalty mail for cooperative extension agents and State extension directors..... | 29,824 | 30,000 | 32,100 | |
| 05 Rents and utility services..... | 2,491,307 | 2,491,307 | 2,491,307 | |
| 06 Printing and reproduction..... | 1,626 | 1,680 | 1,680 | |
| 07 Other contractual services..... | 68,424 | 71,200 | 89,700 | |
| 08 Supplies and materials..... | 230,374 | 109,885 | 124,505 | |
| 09 Equipment..... | 29,388 | 30,000 | 31,372 | |
| 11 Grants, subsidies, and contributions: | | | | |
| Payments to States and Puerto Rico..... | 18,007 | 18,000 | 19,400 | |
| Refunds, awards, and indemnities..... | 25,488 | 9,500 | 16,500 | |
| 12 Taxes and assessments..... | 5,474,141 | 5,785,375 | 6,076,930 | |
| Total obligations..... | 52,937,892 | 53,615,000 | 56,480,000 | |
| 13 Refunds, awards, and indemnities..... | 125 | 500 | 500 | |
| 14 Taxes and assessments..... | 747 | 800 | 800 | |
| Total obligations..... | 63,254,725 | 64,123,222 | 67,424,967 | |

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allocations from other accounts are included in the schedules of the parent appropriation "Mutual security—economic," funds appropriated to the President.

Intragovernmental funds:**ADVANCES AND REIMBURSEMENTS****Program and Financing**

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|-------------|---------------|---------------|
| Program by activities: | | | |
| 1. Cooperation with the Bureau of Indian Affairs on extension program with Indians..... | \$34,290 | \$34,290 | \$37,860 |
| 2. Technical assistance to agricultural stabilization and conservation committees in Alaska..... | 13,292 | 14,710 | 14,710 |
| 3. Miscellaneous services to other accounts..... | 7,072 | | |
| Total program (costs—obligations)..... | 54,654 | 49,000 | 52,570 |
| Financing: | | | |
| Advances and reimbursements from— | | | |
| Other accounts..... | 54,549 | 49,000 | 52,570 |
| Non-Federal sources (5 U.S.C. 61(b))..... | 105 | | |
| Total financing..... | 54,654 | 49,000 | 52,570 |

Object Classification

| | 1959 | 1960 | 1961 |
|--|----------|----------|--------------|
| Total number of permanent positions..... | 3 | 3 | 3 |
| Average number of all employees..... | 4 | 3 | 3 |
| Number of employees at end of year..... | 3 | 3 | 3 |
| Average GS grade and salary..... | 10.7 | \$9,062 | 10.7 \$9,312 |
| 01 Personal services: | | | |
| Permanent positions..... | \$33,345 | \$27,776 | \$28,179 |
| Other personal services..... | 106 | 213 | 110 |
| Total personal services..... | 33,451 | 27,989 | 28,289 |
| 02 Travel..... | 5,346 | 4,422 | 7,000 |
| 04 Communication services..... | | | 300 |
| 06 Printing and reproduction..... | | | 100 |
| 07 Other contractual services..... | 72 | 60 | 232 |
| Services performed by other agencies..... | 335 | | |
| 08 Supplies and materials..... | 22 | | 100 |
| 09 Equipment..... | 11 | | |
| 11 Grants, subsidies, and contributions..... | 15,417 | 16,529 | 16,549 |
| Total obligations..... | 54,654 | 49,000 | 52,570 |

FARMER COOPERATIVE SERVICE**Current authorizations:****SALARIES AND EXPENSES**

For necessary expenses to carry out the Act of July 2, 1926 (7 U.S.C. 451-457), [§615,800] \$644,650. (Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.)

Appropriated 1960, \$615,800

Estimate 1961, \$644,650

Program and Financing

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|-------------|---------------|---------------|
| Program by activities: | | | |
| 1. Research and technical assistance for farmer cooperatives (total program costs ¹)..... | \$613,829 | \$615,800 | \$644,650 |
| 2. Relation of costs to obligations: Costs financed from obligations of other years, net (—)..... | -1,976 | | |
| Total program (obligations)..... | 611,853 | 615,800 | 644,650 |
| Financing: | | | |
| 1959 appropriation available in 1968..... | 2,574 | | |
| Unobligated balance no longer available..... | 3,473 | | |
| New obligational authority..... | 617,900 | 615,800 | 644,650 |
| New obligational authority: | | | |
| Appropriation..... | \$578,000 | \$615,800 | \$644,650 |
| Transferred from "Conservation reserve program," Commodity Stabilization Service (73 Stat. 51)..... | 39,900 | | |
| Appropriation (adjusted)..... | 617,900 | 615,800 | 644,650 |

¹ Includes capital outlay as follows: June 30, 1959, \$4,736; 1960, \$3,600; 1961, \$5,100.

1. The Farmer Cooperative Service provides research, advisory, and educational assistance to farmers' marketing, purchasing, and service cooperatives. Problems of organization, financing, policies, management, merchandising, costs, efficiency, and membership are involved. Much of this work is carried on in cooperation with land-grant colleges, the Extension Service, and other Federal and State agencies.

2. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

| | 1958 actual | 1959 actual | 1960 estimate | 1961 estimate |
|--|----------------|----------------|------------------|------------------|
| Selected resources at end of year: | | | | |
| Equipment not placed in use..... | \$2,470 | | | |
| Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)..... | 11,851 | \$11,853 | \$11,853 | \$11,853 |
| Total selected resources at end of year..... | 14,321 | 11,853 | 11,853 | 11,853 |
| Selected resources at start of year (—)..... | -14,321 | -11,853 | -11,853 | -11,853 |
| Adjustment of prior year costs and selected resources reported at start of year..... | | 492 | | |
| Costs financed from obligations of other years, net (—)..... | | -1,976 | | |

Object Classification

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|-------------|---------------|---------------|
| Total number of permanent positions: | | | |
| Average number of all employees..... | 75 | 73 | 75 |
| Number of employees at end of year..... | 68 | 67 | 70 |
| Average GS grade and salary..... | 65 | 67 | 70 |
| 01 Personal services: | | | |
| Permanent positions..... | \$461,776 | \$473,132 | \$489,410 |
| Other personal services..... | 2,269 | 3,668 | 1,890 |
| Total personal services..... | 464,045 | 476,800 | 491,300 |
| 02 Travel..... | 39,085 | 36,200 | 38,700 |
| 03 Transportation of things..... | 674 | 100 | 100 |
| 04 Communication services..... | 15,823 | 15,100 | 15,700 |
| 06 Printing and reproduction..... | 46,308 | 38,000 | 41,500 |
| 07 Other contractual services..... | 2,418 | 2,400 | 6,650 |
| Services performed by other agencies..... | 7,161 | 8,000 | 8,900 |
| 08 Supplies and materials..... | 3,554 | 3,700 | 3,900 |
| 09 Equipment..... | 4,823 | 3,800 | 5,300 |
| 11 Grants, subsidies, and contributions..... | 29,959 | 31,000 | 31,900 |
| 13 Refunds, awards, and indemnities..... | 536 | 600 | 600 |
| 15 Taxes and assessments..... | 41 | 100 | 100 |
| 1959 program obligated in 1958..... | -2,574 | | |
| Total obligations..... | 611,853 | 615,800 | 644,650 |

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allocations from other accounts are included in the schedules of the parent appropriation, "Mutual security—economic," funds appropriated to the President.

Intragovernmental funds:**ADVANCES AND REIMBURSEMENTS****Program and Financing**

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|-------------|---------------|---------------|
| Program by activities: | | | |
| 1. Research and technical assistance for farmer cooperatives..... | \$2,793 | | |
| 2. Marketing research activities (Agricultural Marketing Service)..... | 406,265 | \$407,800 | \$415,300 |
| Total program costs..... | 409,058 | 407,800 | 415,300 |
| 3. Relation of costs to obligations: Costs financed from obligations of other years, net (—)..... | -1,935 | | |
| Total program (obligations)..... | 407,123 | 407,800 | 415,300 |
| Financing: | | | |
| Advances and reimbursements from other accounts..... | 410,593 | 407,800 | 415,300 |
| Unobligated balance no longer available..... | -3,470 | | |
| Total financing..... | 407,123 | 407,800 | 415,300 |

FARMER COOPERATIVE SERVICE—Continued

Intragovernmental funds—Continued

ADVANCES AND REIMBURSEMENTS—Continued

3. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

| | 1958 actual | 1959 actual | 1960 estimate | 1961 estimate |
|--|----------------|----------------|------------------|------------------|
| Selected resources at end of year: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received) | \$23,481 | \$20,845 | \$20,845 | \$20,845 |
| Selected resources at start of year (—) | —23,481 | —20,845 | —20,845 | —20,845 |
| Adjustment of prior year costs and selected resources reported at start of year | 701 | — | — | — |
| Costs financed from obligations of other years, net (—) | —1,935 | — | — | — |

Object Classification

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|-------------|---------------|---------------|
| Total number of permanent positions | 52 | 50 | 51 |
| Average number of all employees | 45 | 45 | 46 |
| Number of employees at end of year | 45 | 45 | 46 |
| Average GS grade and salary | 8.3 | \$6,524 | 8.6 \$6,672 |
| 01 Personal services: | | | |
| Permanent positions | \$301,040 | \$305,630 | \$309,804 |
| Other personal services | 1,655 | 2,370 | 1,196 |
| Total personal services | 302,695 | 308,000 | 311,000 |
| 02 Travel | 27,302 | 24,000 | 24,900 |
| 03 Transportation of things | 439 | 100 | 100 |
| 04 Communication services | 10,462 | 10,000 | 10,100 |
| 06 Printing and reproduction | 13,533 | 12,000 | 13,000 |
| 07 Other contractual services | 25,322 | 26,000 | 28,500 |
| Services performed by other agencies | 5,059 | 4,400 | 4,400 |
| 08 Supplies and materials | 2,419 | 2,500 | 2,500 |
| 09 Equipment | 39 | 200 | 200 |
| 11 Grants, subsidies, and contributions | 19,466 | 20,100 | 20,100 |
| 13 Refunds, awards, and indemnities | 359 | 400 | 400 |
| 15 Taxes and assessments | 28 | 100 | 100 |
| Total obligations | 407,123 | 407,800 | 415,300 |

SOIL CONSERVATION SERVICE

The Service is responsible for various soil and water conservation activities to aid farmers and ranchers in making physical adjustments in land use to conserve soil, water, and plant resources, establish a permanent and balanced agriculture, and reduce the hazards of floods and sedimentation. These activities are carried out in co-operation with Federal and State agencies and local organizations. The Service also has responsibility for administering the Great Plains conservation program and provides technical services in connection with the agricultural conservation program, the conservation reserve program, and soil and water conservation loans made by the Farmers Home Administration.

Current authorizations:

CONSERVATION OPERATIONS

For necessary expenses for carrying out the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-590f), including preparation of conservation plans and establishment of measures to conserve soil and water (including farm irrigation and land drainage and such special measures as may be necessary to prevent floods and the siltation of reservoirs); operation of conservation nurseries; classification and mapping of soils; dissemination of information; purchase and erection or alteration of permanent buildings; and operation and maintenance of aircraft, [§\$82,322,000] §\$82,882,000: *Provided*, That the cost of any permanent building purchased, erected, or as improved, exclusive of the cost of constructing a water supply or sanitary system and connecting the same to any such building and with the exception of buildings acquired in conjunction with land being purchased for other purposes, shall not exceed \$2,500, except for eight buildings to be constructed or improved at a cost not to exceed \$15,000 per building and except that alterations or improve-

ments to other existing permanent buildings costing \$2,500 or more may be made in any fiscal year in an amount not to exceed \$500 per building: *Provided further*, That no part of this appropriation shall be available for the construction of any such building on land not owned by the Government: *Provided further*, That in the State of Missouri, where the State has established a central State agency authorized to enter into agreements with the United States or any of its agencies on policies and general programs for the saving of its soil by the extension of Federal aid to any soil conservation district in such State, the agreements made by or on behalf of the United States with any such soil conservation district shall have the prior approval of such central State agency before they shall become effective as to such district: *Provided further*, That no part of this appropriation may be expended for soil and water conservation operations under the Act of April 27, 1935 (16 U.S.C. 590a-590f), in demonstration projects: *Provided further*, That not to exceed \$5,000 may be used for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a): *Provided further*, That qualified local engineers may be temporarily employed at per diem rates to perform the technical planning work of the service. (5 U.S.C. 183t, 511-512, 565a; 7 U.S.C. 1837, 1807; 16 U.S.C. 590q-1; Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.)

Appropriated 1960, §\$82,322,000 Estimate 1961, §\$82,882,000

Program and Financing

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|--------------|---------------|---------------|
| Program by activities: | | | |
| Direct program costs: | | | |
| 1. Assistance to soil conservation districts and other cooperators (total direct program costs) | \$80,315,620 | \$82,322,000 | \$82,882,000 |
| 2. Relation of costs to obligations: Costs financed from obligations of other years, net (—) | —1,182,152 | — | — |
| Total direct program (obligations) | 79,133,468 | 82,322,000 | 82,882,000 |
| Reimbursable costs—obligations: | | | |
| 1. Assistance to soil conservation districts and other cooperators: Technical services to agricultural conservation program participants | 3,991,707 | 7,547,742 | 7,500,000 |
| Total program (obligations) | 83,125,175 | 89,869,742 | 90,382,000 |
| Financing: | | | |
| 1959 program obligated in 1958 | 846,814 | — | — |
| Advances and reimbursements from other accounts | —3,991,707 | —7,547,742 | —7,500,000 |
| Unobligated balance no longer available | 902,518 | — | — |
| New obligational authority | 80,882,800 | 82,322,000 | 82,882,000 |
| New obligational authority: | | | |
| Appropriation | \$74,780,000 | \$82,322,000 | \$82,882,000 |
| Transferred from "Conservation reserve program," Commodity Stabilization Service (73 Stat. 51) | 6,102,800 | — | — |
| Appropriation (adjusted) | 80,882,800 | 82,322,000 | 82,882,000 |

¹ Includes capital outlay as follows: June 30, 1959, \$2,557,330; 1960, \$2,100,000; 1961, \$2,100,000.

1. Assistance furnished soil conservation districts and other cooperators consists primarily of: (a) standard soil surveys and special soils investigations to provide physical land facts needed for farm and ranch conservation planning and application of practices and by other Federal, State, and local agencies and the public;

| Type of survey | MAIN WORKLOAD FACTORS | | | |
|----------------|------------------------------|----------------|------------------|------------------|
| | Total as of June 30, 1958 | 1959 actual | 1960 estimate | 1961 estimate |
| Soil surveys | 575.1 | 48.0 | 52.0 | 55.0 |
| Range surveys | 78.9 | 14.0 | 15.0 | 15.0 |

(b) technical assistance to farmers and ranchers in planning individual conservation programs for orderly adjustment of the use and treatment of their land; (c) management consultation and other technical assistance in installing the conservation practices provided for in their farm and ranch conservation plans;

MAIN WORKLOAD FACTORS

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|-------------|---------------|---------------|
| Number of soil conservation districts | 2,861 | 2,891 | 2,911 |
| Number of soil conservation district cooperators | 1,859,439 | 1,900,000 | 1,950,000 |
| Soil conservation district cooperators having farm and ranch conservation plans | 1,279,634 | 1,325,000 | 1,375,000 |
| Number of cooperators applying conservation practices | 647,107 | 662,000 | 687,000 |

(d) technical assistance to group enterprises on soil conservation and water control problems that can only be solved by group action; (e) granting to soil conservation districts of special equipment acquired from Federal Government surplus and needed in the application of conservation practices; (f) streamflow forecasts, developed from snow surveys in the Western States, which serve as a basis for planning for efficient seasonal use of water; (g) the selection and testing of promising plant materials to determine their suitability for erosion control purposes; (h) technical assistance to agricultural conservation program participants in establishing specified conservation practices; (i) technical assistance to conservation reserve program participants in planning and applying specified conservation practices; and (j) technical assistance in planning and applying the practices for which soil and water conservation loans are made by the Farmers Home Administration.

2. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

| | 1958 actual | 1959 actual | 1960 estimate | 1961 estimate |
|---|----------------|----------------|------------------|------------------|
| Direct costs: | | | | |
| Selected resources at end of year: | | | | |
| Inventories and items on order: | | | | |
| Stores (goods unconsumed by projects) | \$126,326 | \$139,464 | \$139,464 | \$139,464 |
| Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received) | 2,270,646 | 1,039,169 | 1,039,169 | 1,039,169 |
| Total selected resources at end of year | 2,396,972 | 1,178,633 | 1,178,633 | 1,178,633 |
| Selected resources at start of year (—) | —2,396,972 | —1,178,633 | —1,178,633 | —1,178,633 |
| Adjustment of prior year costs and selected resources reported at start of year | 36,187 | — | — | — |
| Costs financed from obligations of other years, net (—) | —1,182,152 | — | — | — |

Object Classification

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|--------------|---------------|---------------|
| Total number of permanent positions | 13,283 | 13,562 | 13,563 |
| Full-time equivalent of all other positions | 804 | 1,067 | 1,124 |
| Average number of all employees | 12,115 | 12,976 | 13,032 |
| Number of employees at end of year | 14,670 | 14,936 | 15,070 |
| Average GS grade and salary | 6.7 | \$5,491 | 6.9 |
| Personal service obligations: | | | |
| Permanent positions | \$63,571,539 | \$67,216,785 | \$67,801,700 |
| Positions other than permanent | 2,825,899 | 3,765,143 | 3,991,500 |
| Other personal services | 506,119 | 782,288 | 549,800 |
| Total personal service obligations | 66,903,557 | 71,764,216 | 72,343,000 |
| Direct obligations: | | | |
| 01 Personal services | 64,210,431 | 66,001,000 | 66,585,000 |
| 02 Travel | 2,153,458 | 2,300,000 | 2,320,000 |
| 03 Transportation of things | 365,617 | 410,000 | 410,000 |
| 04 Communication services | 904,367 | 906,000 | 910,000 |
| 05 Rents and utility services | 1,852,100 | 1,900,000 | 1,860,000 |
| 06 Printing and reproduction | 444,080 | 470,000 | 475,000 |
| 07 Other contractual services | 503,151 | 510,000 | 1,027,000 |
| Services performed by other agencies | 109,644 | 210,000 | 150,000 |
| 08 Supplies and materials | 3,059,913 | 3,190,000 | 3,100,000 |
| 09 Equipment | 2,162,648 | 2,200,000 | 1,700,000 |
| 10 Lands and structures | 14,630 | — | — |
| 11 Grants, subsidies, and contributions | 4,076,961 | 4,100,000 | 4,200,000 |
| 12 Refunds, awards and indemnities | 80,027 | 80,000 | 80,000 |
| 13 Taxes and assessments | 48,934 | 50,000 | 70,000 |
| 1959 program obligated in 1958 | —846,814 | — | — |
| Subtotal | 79,139,147 | 82,327,000 | 82,887,000 |
| Deduct quarters and subsistence charges | 5,679 | 5,000 | 5,000 |
| Total direct obligations | 79,133,468 | 82,322,000 | 82,882,000 |

Object Classification—Continued

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|-------------|---------------|---------------|
| Reimbursable obligations: | | | |
| 01 Personal services | \$2,693,126 | \$5,763,216 | \$5,758,000 |
| 02 Travel | 9,297 | 23,681 | 24,000 |
| 04 Communication services | 226 | — | — |
| 06 Printing and reproduction | 1,111 | 1,066 | 1,000 |
| 07 Other contractual services | 812,342 | 1,169,260 | 1,143,300 |
| 08 Supplies and materials | 322,343 | 276,270 | 259,500 |
| 11 Grants, subsidies, and contributions | 143,440 | 290,141 | 290,000 |
| 15 Taxes and assessments | 9,822 | 24,108 | 24,200 |
| Total reimbursable obligations | 3,991,707 | 7,547,742 | 7,500,000 |
| Total obligations | 83,125,175 | 89,869,742 | 90,382,000 |

WATERSHED PROTECTION

For expenses necessary to conduct surveys, investigations, and research and to carry out preventive measures, including, but not limited to, engineering operations, methods of cultivation, the growing of vegetation, and changes in use of land, in accordance with the Watershed Protection and Flood Prevention Act, approved August 4, 1954, as amended (16 U.S.C. 1001-[1007] 1008), and the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-[590]f), to remain available until expended, [\$22,750,000] \$27,750,000, with which shall be merged the unexpended balances of funds heretofore appropriated or transferred to the Department for watershed protection purposes: *Provided*, That not to exceed \$100,000 may be used for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a): *Provided further*, That annual accrued expenditures under this appropriation account, covering amounts becoming payable as a result of obligations incurred both in the current fiscal year and in prior fiscal years, shall not exceed \$37,400,000: *Provided further*, That this limitation shall not include annual accrued expenditures attributable to reimbursable work performed under this appropriation account. (5 U.S.C. 511-512; Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.)

Appropriated 1960, \$22,750,000 Estimate 1961, \$27,750,000

Program and Financing

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|-------------|---------------|---------------|
| Program by activities: | | | |
| 1. Investigations and planning | \$4,664,033 | \$4,900,000 | \$3,500,000 |
| 2. Installation of works of improvement | 14,200,505 | 22,815,581 | 28,260,000 |
| 3. Loans and related expense | 59,954 | 900,000 | 1,140,000 |
| 4. Surveys and investigations of water resources programs | 888,508 | 1,100,000 | 1,100,000 |
| Total accrued expenditures ¹ | 19,813,000 | 29,715,581 | 34,000,000 |
| Unpaid undelivered orders brought forward | —5,232,748 | —18,188,617 | —18,500,000 |
| Unpaid undelivered orders carried forward | 18,188,617 | 18,500,000 | 14,500,000 |
| Total program (obligations) | 32,768,869 | 30,026,964 | 30,000,000 |
| Financing: | | | |
| Unobligated balance brought forward | —16,795,833 | —9,526,964 | —2,250,000 |
| Unobligated balance carried forward | 9,526,964 | 2,250,000 | — |
| Appropriation (new obligatory authority) | 25,500,000 | 22,750,000 | 27,750,000 |

¹ Includes capital outlay as follows: June 30, 1959, \$752,933; 1960, \$229,500; 1961, \$230,000.

The Department cooperates with the States and other agencies in planning and installing works of improvement in small watersheds to reduce damage from floodwater, sediment, and erosion and for the conservation, development, utilization, and disposal of water. It provides loans to local organizations to help them finance their share of the cost of certain works of improvement. The Department also cooperates with other agencies in making surveys and investigations of watersheds of rivers and other waterways as the basis for the development of coordinated programs.

SOIL CONSERVATION SERVICE—Continued**Current authorizations—Continued****WATERSHED PROTECTION—Continued**

| Activity | MAIN WORKLOAD FACTORS | | | | |
|--|-----------------------|----------------|----------------|------------------|------------------|
| | 1957 actual | 1958 actual | 1959 actual | 1960 estimate | 1961 estimate |
| Applications: | | | | | |
| Received, current year | 165 | 175 | 261 | 275 | 300 |
| Received, cumulative at end of year | 712 | 887 | 1,148 | 1,423 | 1,723 |
| Not suitable for planning, cumulative at end of year | 280 | 300 | 315 | 330 | 345 |
| Planning: | | | | | |
| Authorized, current year | 96 | 96 | 82 | 100 | 70 |
| Authorized, cumulative | 268 | 304 | 446 | 546 | 616 |
| Suspended or terminated, cumulative | (39) | (71) | (67) | (70) | (80) |
| Planning in process at end of year | 187 | 193 | 199 | 196 | 140 |
| Remaining to be planned at end of year | 164 | 223 | 387 | 547 | 762 |
| Operations: | | | | | |
| Authorized, current year | 29 | 58 | 80 | 80 | 50 |
| Authorized, cumulative | 42 | 160 | 180 | 260 | 310 |
| Completed, current year | — | 2 | 3 | 5 | 15 |
| Completed, cumulative | — | 2 | 5 | 10 | 25 |
| In process at end of year | — | 98 | 175 | 250 | 285 |

1. *Investigations and planning.*—Surveys are made by the Department of proposed small watershed projects, and work plans are prepared in cooperation with the local sponsors. These plans outline the proposed works of improvement and include the estimated costs, a cost-benefit analysis, cost-sharing and maintenance arrangements, a proposed schedule of operations, and other facts necessary to determine whether Federal participation in project development should be approved.

2. *Installation of works of improvement.*—Assistance is provided to local organizations to install improvement measures for flood prevention and water management in accordance with approved watershed work plans.

Public Law 566 watersheds.—After local sponsoring organizations have developed watershed work plans with the Department's assistance and the projects have been approved as suitable for Federal participation (projects involving an estimated Federal contribution in excess of \$250,000, or any single structure having a capacity in excess of 2,500 acre-feet require congressional approval), technical services and cost-sharing assistance are provided for specified works of improvement. Detailed construction plans and specifications are prepared. On non-Federal lands the local sponsoring organizations contract for the construction work; provide land easements and rights-of-way; operate and maintain the projects; and in the case of multiple-purpose structures, bear a share of the construction costs. The initiation of installation of works of improvement in new projects requires administrative approval in two stages: (a) approval for advance engineering and other technical assistance only, and (b) approval for construction of structural measures.

The advance engineering and technical assistance stage includes surveys, investigations, and preparation of detailed designs, specifications, and engineering cost estimates for construction of structural works. It also includes precise delineation of required easement areas. Technical and other assistance for planning and applying land treatment measures for watershed protection and flood prevention is provided in some cases.

The project-construction stage begins with execution of the first project agreement for construction of works of improvement, after required easements are obtained or are assured and the local organization has met all other requirements. Under a project agreement the local sponsoring organization agrees to construct a segment of the project which may consist of an individual or an interrelated group of structures. The agreement obligates the Government to furnish its share of the construction cost. Funds are advanced to the local organization as

segments of work are completed. Engineering and other services are provided for the preparation of contracts and specifications, awarding of contracts, and supervision and inspection of construction. Technical assistance with land treatment measures is continued.

The following table shows the status of Public Law 83-566 projects with respect to approvals for advance engineering and technical assistance and for construction:

| Explanation | [Dollars in thousands] | | | | | |
|---|------------------------|----------|---------------|----------|---------------|----------|
| | 1959 actual | | 1960 estimate | | 1961 estimate | |
| | Number | Amount | Number | Amount | Number | Amount |
| Projects approved for advance engineering and technical assistance (number and estimated cost of completion, unless otherwise indicated): | | | | | | |
| Projects underway at beginning of year | 53 | \$29,925 | 73 | \$50,840 | 118 | \$92,940 |
| Projects initiated during the year | 80 | 71,572 | 80 | 78,000 | 50 | 50,000 |
| Subtotal | 133 | 101,497 | 153 | 128,840 | 168 | 142,940 |
| Deduct projects approved for construction during the year | 60 | 47,977 | 35 | 30,900 | 32 | 28,900 |
| Net projects approved | 73 | 53,520 | 118 | 97,940 | 136 | 114,040 |
| Deduct amounts obligated during the year for advance engineering and technical assistance | — | 2,680 | — | 5,000 | — | 5,635 |
| Total, projects receiving only advance engineering and technical assistance at end of year | 73 | 50,840 | 118 | 92,940 | 136 | 108,405 |
| Projects approved for construction (number and estimated cost of completion, unless otherwise indicated): | | | | | | |
| Projects underway at beginning of year | 45 | 12,906 | 102 | 42,349 | 132 | 60,472 |
| Projects initiated during the year | 60 | 47,977 | 35 | 30,900 | 32 | 28,900 |
| Total, projects under construction during the year | 105 | 60,883 | 137 | 73,249 | 164 | 89,372 |
| Deduct amounts obligated during the year for works of improvement on— | | | | | | |
| (a) Projects approved for construction during the year | — | 12,429 | — | 5,300 | — | 5,000 |
| (b) Projects completed during the year | 3 | 73 | 5 | 62 | 15 | 450 |
| (c) Continuing prior year projects | — | 6,032 | — | 7,415 | — | 10,815 |
| Total, projects under construction at end of year | 102 | 42,349 | 132 | 60,472 | 149 | 73,107 |
| Grand total, projects in progress at end of year | 175 | 93,189 | 250 | 153,412 | 285 | 181,512 |

The 1960 program contemplates starting 35 new watershed projects. The increase of \$5,000,000 in the 1961 estimates will be used to initiate construction work on an estimated 32 additional watershed projects involving total Federal costs of approximately \$28,900,000.

Uniform cost-sharing legislation is recommended which would provide that non-Federal interests receiving identifiable flood protection benefits from flood control or flood prevention projects should bear at least 30% of the costs. The value of lands, easements, and rights-of-way contributed locally would be included as part of the non-Federal share. Operation and maintenance would be a State or local responsibility. The legislation would apply to Public Law 566 projects and, if enacted prior to construction, would decrease by an estimated \$4.6 million the total Federal costs of projects expected to be put under construction in 1961.

Pilot demonstration watersheds.—The following table shows the status of the pilot watershed projects which were initiated in 1954 to demonstrate and evaluate the effects of works of improvement installed in small watersheds for watershed protection and flood prevention. The budget estimate reflects reductions due to completion of some pilot projects.

| Explanation | [Dollars in thousands] | | | | | |
|--|------------------------|----------|---------------|---------|---------------|---------|
| | 1959 actual | | 1960 estimate | | 1961 estimate | |
| Number | Amount | Number | Amount | Number | Amount | |
| Total number of permanent positions at beginning of year and estimated completion cost | 39 | \$15,224 | 30 | \$9,646 | 15 | \$4,396 |
| Deduct amounts obligated during the year for— | | | | | | |
| (a) Projects completed during the year | 9 | 96 | 15 | 1,665 | 11 | 1,387 |
| (b) Other projects | — | 5,482 | — | 3,585 | — | 1,113 |
| Total, projects in progress at end of year and estimated completion cost | 30 | 9,646 | 15 | 4,396 | 4 | 1,896 |

3. *Loans and related expenses.*—Loans are made to local organizations to finance the local share of the cost of works of improvement installed in the small watersheds. Repayment with interest is required within 50 years after the principal benefits of improvements first become available.

4. *Surveys and investigations of water resources programs.*—Current work includes participation with the Corps of Engineers in the Potomac River Basin, the upper Mississippi River area, the Delaware River area, and the Cape Fear watershed in North Carolina, and with the Department of the Interior in reappraising the agricultural benefits anticipated from the upper Colorado River storage project. Surveys are also being made of part of the Kansas River area in cooperation with the Kansas State water board, the Yazoo-Mississippi flood plain area with the Mississippi State board of water commissioners, and the Huron River Basin in Michigan with the Huron River watershed intergovernmental committee. Some cooperative assistance is being provided to the river basin study commissions for the Southeast and the Texas river areas.

Accrued expenditure limitation.—This appropriation contains, for the first time, a limitation on accrued expenditures in accordance with Public Law 85-759, approved August 25, 1958.

For construction activities financed from this appropriation, costs and accrued expenditures occur when work is in place. Since this estimate is being prepared so far in advance of the putting into place of works of improvement by contractors of the local sponsoring organizations, the amount of the limitation is 10% above the amount of accrued expenditures shown in the schedules. This will provide flexibility needed because of possible difficulties in scheduling the rate of contractors' work.

Object Classification

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|-------------|---------------|---------------|
| SOIL CONSERVATION SERVICE | | | |
| Total number of permanent positions | 1,440 | 1,725 | 2,014 |
| Full-time equivalent of all other positions | 195 | 239 | 244 |
| Average number of all employees | 1,586 | 1,853 | 2,094 |
| Number of employees at end of year | 1,659 | 2,020 | 2,239 |
| Average GS grade and salary | 6.7 | \$5,491 | 6.9 |
| | | \$5,520 | 6.9 |
| | | \$5,556 | |
| 01 Personal services: | | | |
| Permanent positions | \$8,091,147 | \$9,500,000 | \$10,920,000 |
| Positions other than permanent | 662,426 | 820,000 | 874,000 |
| Other personal services | 146,729 | 240,000 | 186,000 |
| Total personal services | 8,900,302 | 10,560,000 | 11,980,000 |
| 02 Travel | 765,049 | 835,000 | 875,000 |
| 03 Transportation of things | 61,928 | 70,000 | 75,000 |
| 04 Communication services | 126,062 | 138,000 | 140,000 |
| 05 Rents and utility services | 167,154 | 182,000 | 183,000 |
| 06 Printing and reproduction | 149,515 | 171,000 | 170,000 |
| 07 Other contractual services: | 4,017,568 | 3,687,000 | 2,100,000 |
| Services performed by other agencies | 192,744 | 240,000 | 240,000 |
| 08 Supplies and materials | 368,577 | 375,000 | 375,000 |
| 09 Equipment | 589,733 | 600,000 | 600,000 |
| 11 Grants, subsidies, and contributions | 15,909,322 | 10,591,471 | 10,739,760 |
| 13 Refunds, awards, and indemnities | 6,488 | 9,000 | 10,000 |
| 15 Taxes and assessments | 15,141 | 20,000 | 22,500 |
| Total, Soil Conservation Service | 31,269,583 | 27,478,471 | 27,510,260 |

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|--------------|---------------|---------------|
| Object Classification—Continued | | | |
| ALLOTMENT ACCOUNTS | | | |
| Total number of permanent positions | 76 | 79 | 79 |
| Full-time equivalent of all other positions | 25 | 34 | 29 |
| Average number of all employees | 106 | 121 | 118 |
| Number of employees at end of year | 90 | 100 | 104 |
| Average GS grade and salary | 7.2 | \$5,891 | 7.3 |
| Average salary of ungraded positions | \$4,553 | \$4,754 | \$4,754 |
| 01 Personal services: | | | |
| Permanent positions | \$526,462 | \$583,429 | \$601,836 |
| Positions other than permanent | 96,835 | 130,284 | 110,967 |
| Other personal services | 3,241 | 5,239 | 2,983 |
| Total personal services | 626,538 | 718,952 | 715,786 |
| 02 Travel | 75,493 | 111,359 | 111,610 |
| 03 Transportation of things | 3,508 | 4,230 | 4,200 |
| 04 Communication services | 5,921 | 10,210 | 10,200 |
| 05 Rents and utility services | 4,267 | 5,592 | 5,500 |
| 06 Printing and reproduction | 952 | 1,200 | 1,000 |
| 07 Other contractual services: | 133,429 | 212,795 | 214,900 |
| Services performed by other agencies | 39,528 | 60,396 | 60,000 |
| 08 Supplies and materials | 27,354 | 55,076 | 55,505 |
| 09 Equipment | 22,546 | 19,644 | 19,000 |
| 11 Grants, subsidies, and contributions | 155,773 | 396,873 | 359,854 |
| 13 Refunds, awards, and indemnities | 555 | 500 | 500 |
| 15 Taxes and assessments | 1,419 | 1,816 | 1,835 |
| 16 Investments and loans | 402,500 | 950,000 | 930,000 |
| Subtotal | 1,499,783 | 2,548,643 | 2,489,890 |
| Deduct quarters and subsistence charges | 497 | 150 | 150 |
| Total, allotment accounts | 1,499,286 | 2,548,493 | 2,489,740 |
| Total obligations | 32,768,869 | 30,026,964 | 30,000,000 |
| Obligations are distributed as follows: | | | |
| Soil Conservation Service | \$31,269,583 | \$27,478,471 | \$27,510,260 |
| Forest Service | 604,622 | 1,111,000 | 1,050,000 |
| Agricultural Research Service | 279,817 | 317,215 | 318,000 |
| Farmers Home Administration | 427,454 | 1,000,000 | 1,000,000 |
| Department of the Interior | 97,393 | 120,278 | 121,740 |

FLOOD PREVENTION

For expenses necessary, in accordance with the Flood Control Act, approved June 22, 1936 (33 U.S.C. 701-709), as amended and supplemented, and in accordance with the provisions of laws relating to the activities of the Department, to perform works of improvement, including not to exceed \$100,000 for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), to remain available until expended, [§18,000,000] \$15,000,000, with which shall be merged the unexpended balances of funds heretofore appropriated or transferred to the Department for flood prevention purposes: *Provided*, That no part of such funds shall be used for the purchase of lands in the Yazoo and Little Tallahatchie watersheds without specific approval of the county board of supervisors of the county in which such lands are situated. (5 U.S.C. 511-512; Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.)

Appropriated 1960, \$18,000,000

Estimate 1961, \$15,000,000

Program and Financing

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|--------------|---------------|---------------|
| Program by activities: | | | |
| 1. Works of improvement (total program costs ¹) | \$15,415,385 | \$20,975,987 | \$15,800,000 |
| 2. Relation of costs to obligations: | | | |
| Costs financed from obligations of other years (unpaid undelivered orders), net (—) | | -129,995 | -800,000 |
| Obligations incurred for costs of other years (unpaid undelivered orders), net | 1,114,985 | | |
| Total program (obligations) | 16,530,370 | 20,845,992 | 15,000,000 |
| Financing: | | | |
| Unobligated balances brought forward | -1,376,362 | -2,845,992 | |
| Unobligated balance carried forward | 2,845,992 | | |
| Appropriation (new obligational authority) | 18,000,000 | 18,000,000 | 15,000,000 |

¹ Includes capital outlay as follows: June 30, 1959, \$1,022,549; 1960, \$850,000; 1961, \$400,000.

SOIL CONSERVATION SERVICE—Continued**Current authorizations—Continued****FLOOD PREVENTION—Continued**

1. The Department cooperates with soil conservation districts and other local organizations in planning and installing works of improvement in the various subwatersheds of the 11 watersheds authorized by the Flood Control Act of 1944. Measures primarily for flood prevention such as floodwater retarding and sediment control structures, debris barriers and basins, deflectors, diversion ditches and dikes, streambank protection, and other improvements are being installed on a cost-sharing basis. On non-Federal lands, local organizations provide lands, easements, and rights-of-way; operate and maintain the completed projects; and, in some cases, bear a share of construction costs. Work is generally done by local contractors. Land treatment measures which contribute to flood prevention are installed by landowners with technical and other assistance furnished by the Department.

2. *Relation of costs to obligations.*—The year-end balances of unpaid undelivered orders (representing primarily the uncompleted portion of contracts for the installation of flood prevention measures) are as follows: 1958, \$4,715,010; 1959, \$5,829,995; 1960, \$5,700,000; 1961, \$4,900,000.

Object Classification

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|-------------|---------------|---------------|
| SOIL CONSERVATION SERVICE | | | |
| Total number of permanent positions | 841 | 902 | 881 |
| Full-time equivalent of all other positions | 173 | 189 | 165 |
| Average number of all employees | 904 | 987 | 877 |
| Number of employees at end of year | 1,103 | 1,189 | 1,133 |
| Average GS grade and salary | 6.7 | \$5,491 | 6.9 |
| 01 Personal services: | | | |
| Permanent positions | \$3,845,146 | \$4,233,460 | \$3,802,000 |
| Positions other than permanent | 573,975 | 648,540 | 551,000 |
| Other personal services | 86,417 | 140,000 | 80,000 |
| Total personal services | 4,505,538 | 5,022,000 | 4,433,000 |
| 02 Travel | 190,159 | 235,000 | 185,000 |
| 03 Transportation of things | 22,024 | 33,000 | 20,000 |
| 04 Communication services | 59,773 | 68,000 | 60,000 |
| 05 Rents and utility services | 99,703 | 105,000 | 100,000 |
| 06 Printing and reproduction | 47,941 | 65,000 | 50,000 |
| 07 Other contractual services | 8,036,397 | 11,493,069 | 7,064,500 |
| Services performed by other agencies | 47,453 | 165,000 | 95,000 |
| 08 Supplies and materials | 511,484 | 510,000 | 505,000 |
| 09 Equipment | 234,726 | 199,000 | 185,000 |
| 11 Grants, subsidies, and contributions | 534,539 | 650,000 | 550,000 |
| 13 Refunds, awards, and indemnities | 4,334 | 5,000 | 5,000 |
| 15 Taxes and assessments | 12,468 | 15,000 | 12,500 |
| Total, Soil Conservation Service | 14,306,629 | 18,565,069 | 13,265,000 |
| ALLOTMENT TO FOREST SERVICE | | | |
| Total number of permanent positions | 144 | 144 | 144 |
| Full-time equivalent of all other positions | 184 | 191 | 125 |
| Average number of all employees | 314 | 314 | 248 |
| Number of employees at end of year | 201 | 219 | 219 |
| Average GS grade and salary | 6.8 | \$5,583 | 6.9 |
| Average salary of ungraded positions | \$4,553 | \$4,754 | \$4,754 |
| 01 Personal services: | | | |
| Permanent positions | \$636,488 | \$615,431 | \$615,431 |
| Positions other than permanent | 522,748 | 543,996 | 361,800 |
| Other personal services | 25,599 | 25,949 | 16,569 |
| Total personal services | 1,184,835 | 1,185,376 | 993,800 |
| 02 Travel | 27,909 | 32,785 | 22,000 |
| 03 Transportation of things | 3,519 | 10,000 | 7,000 |
| 04 Communication services | 13,322 | 12,000 | 8,000 |
| 05 Rents and utility services | 20,666 | 19,970 | 13,000 |
| 06 Printing and reproduction | 89 | 25 | 100 |
| 07 Other contractual services | 144,105 | 205,207 | 136,000 |
| Services performed by other agencies | 377,408 | 386,631 | 255,000 |
| 08 Supplies and materials | 252,042 | 264,545 | 174,100 |
| 09 Equipment | 36,118 | 37,000 | 27,000 |
| 10 Lands and structures | 86,519 | 75,500 | 50,000 |
| 11 Grants, subsidies, and contributions | 94,974 | 73,081 | 73,000 |
| 13 Refunds, awards, and indemnities | 4,058 | 3,200 | 2,000 |
| 15 Taxes and assessments | 13,213 | 13,603 | 9,000 |
| Subtotal | 2,258,777 | 2,318,923 | 1,770,000 |
| Deduct quarters and subsistence charges | 35,036 | 38,000 | 35,000 |
| Total, Forest Service | 2,223,741 | 2,280,923 | 1,735,000 |
| Total obligations | 16,530,370 | 20,845,992 | 15,000,000 |

GREAT PLAINS CONSERVATION PROGRAM

For necessary expenses to carry into effect a program of conservation in the Great Plains area, pursuant to section 16(b) of the Soil Conservation and Domestic Allotment Act, as added by the Act of August 7, 1956 (16 U.S.C. 590p), \$10,000,000, to remain available until expended. (5 U.S.C. 511-512; Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.)

Appropriated 1960, \$10,000,000

Estimate 1961, \$10,000,000

Program and Financing

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|-------------|---------------|---------------|
| Program by activities: | | | |
| 1. Great Plains conservation program (total program costs ¹) | \$5,862,955 | \$6,847,774 | \$8,000,000 |
| 2. Relation of costs to obligations: Obligations incurred for costs of other years (unpaid undelivered orders), net | 7,871,777 | 3,781,346 | 2,000,000 |
| Total program (obligations) | 13,734,732 | 10,629,120 | 10,000,000 |
| Financing: | | | |
| Unobligated balance brought forward | -4,363,852 | -629,120 | - |
| Unobligated balance carried forward | 629,120 | - | - |
| Appropriation (new obligational authority) | 10,000,000 | 10,000,000 | 10,000,000 |

¹ Includes capital outlay as follows: June 30, 1959, \$18,850; 1960, \$10,275; 1961, \$10,000.

1. Cost-sharing contracts and technical assistance are offered by the Department to aid farmers and ranchers to develop and carry out long-range conservation plans designed to minimize climatic hazards and protect their lands from erosion and deterioration by natural causes. This is a voluntary program which supplements other conservation programs and activities in designated counties of the 10 Great Plains States. Cost-sharing contracts extend from 3 to 10 years and include a plan of operations for the farm or ranch and a time schedule for installing eligible conservation practices. All contracts must terminate by December 31, 1971. The maximum cost-share rate offered in any contract does not exceed 80% of the average cost of installing each eligible practice. A limitation of \$2,500 for cost shares for improving dams or ponds or for other irrigation practices is imposed. Producers are also limited to a maximum cost share of \$2,500 for each year the contract is in force, or \$25,000 for the maximum 10-year contract. The law limits the total cost shares that may be paid to producers to \$25 million for any one program year and \$150 million for the total program.

The producer who signs a Great Plains program contract is responsible for accomplishing his plan of operations as scheduled, and is encouraged to use all available sources of assistance under other local, State, or Federal programs that contribute to achieving conservation land treatment and economic stability of the farm or ranch unit.

2. *Relation of costs to obligations.*—The year-end balances of unpaid undelivered orders (representing primarily the uncompleted portion of contracts with farmers and ranchers for the installation of conservation practices) are as follows: 1958, \$3,346,877; 1959, \$11,218,654; 1960, \$15,000,000; 1961, \$17,000,000.

Object Classification

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|-------------|---------------|---------------|
| SOIL CONSERVATION SERVICE | | | |
| Total number of permanent positions | 150 | 181 | 181 |
| Full-time equivalent of all other positions | 28 | 29 | 31 |
| Average number of all employees | 319 | 310 | 311 |
| Number of employees at end of year | 230 | 264 | 265 |
| Average GS grade and salary | 6.7 | \$5,491 | 6.9 |
| 01 Personal services: | | | |
| Permanent positions | \$1,659,469 | \$1,625,000 | \$1,632,000 |
| Positions other than permanent | 98,752 | 104,000 | 110,000 |
| Other personal services | 8,336 | 14,000 | 8,000 |
| Total personal services | 1,766,557 | 1,743,000 | 1,750,000 |

Object Classification—Continued

| | 1959 actual | 1960 estimate | 1961 estimate | |
|---|--------------|---------------|---------------|---------|
| SOIL CONSERVATION SERVICE—continued | | | | |
| 02 Travel | \$76,666 | \$75,000 | \$75,000 | |
| 03 Transportation of things | 10,006 | 10,000 | 10,000 | |
| 04 Communication services | 22,799 | 22,500 | 22,500 | |
| 05 Rents and utility services | 10,997 | 11,000 | 11,000 | |
| 06 Printing and reproduction | 53,620 | 50,000 | 50,000 | |
| 07 Other contractual services | 165,133 | 101,000 | 100,000 | |
| Services performed by other agencies | | 75,500 | 71,276 | |
| 08 Supplies and materials | 60,539 | 56,000 | 56,000 | |
| 09 Equipment | 16,022 | 15,000 | 15,000 | |
| 11 Grants, subsidies, and contributions | 11,388,921 | 8,238,120 | 7,607,000 | |
| 13 Refunds, awards, and indemnities | 1,091 | 1,400 | 1,500 | |
| 15 Taxes and assessments | 1,920 | 2,576 | 2,700 | |
| Total, Soil Conservation Service | 13,574,276 | 10,401,096 | 9,771,976 | |
| ALLOTMENT ACCOUNTS | | | | |
| Total number of permanent positions | 9 | 10 | 10 | |
| Full-time equivalent of all other positions | 1 | 1 | 1 | |
| Average number of all employees | 6 | 8 | 8 | |
| Number of employees at end of year | 7 | 9 | 9 | |
| Average GS grade and salary | 7.3 | \$6,099 | 7.4 | \$6,139 |
| Average salary of ungraded positions | | \$4,553 | | \$4,754 |
| 01 Personal services: | | | | |
| Permanent positions | \$34,435 | \$54,979 | \$55,075 | |
| Positions other than permanent | 1,729 | 1,759 | 1,759 | |
| Other personal services | 157 | 389 | 211 | |
| Total personal services | 36,321 | 57,127 | 57,045 | |
| 02 Travel | 3,912 | 6,918 | 6,728 | |
| 03 Transportation of things | 103 | 50 | 50 | |
| 04 Communications services | 411 | 890 | 890 | |
| 06 Printing and reproduction | 2,153 | 800 | 600 | |
| 07 Other contractual services | 95,183 | 154,338 | 154,953 | |
| Services performed by other agencies | 17,714 | 1,350 | 1,350 | |
| 08 Supplies and materials | 733 | 1,933 | 1,850 | |
| 09 Equipment | 1,629 | 900 | 900 | |
| 11 Grants, subsidies, and contributions | 2,093 | 3,629 | 3,629 | |
| 13 Refunds, awards, and indemnities | 150 | | | |
| 15 Taxes and assessments | 54 | 29 | 29 | |
| Total, allotment accounts | 160,456 | 228,024 | 228,024 | |
| Total obligations | 13,734,732 | 10,629,120 | 10,000,000 | |
| Obligations are distributed as follows: | | | | |
| Soil Conservation Service | \$13,574,276 | \$10,401,096 | \$9,771,976 | |
| Forest Service | 29,922 | 32,000 | 32,000 | |
| Office of Information | 27,762 | 20,600 | 20,600 | |
| Agricultural Conservation Program Service | 9,072 | 21,424 | 21,424 | |
| Commodity Stabilization Service | 93,700 | 154,000 | 154,000 | |

[WATER CONSERVATION AND UTILIZATION PROJECTS]

For expenses necessary to carry out the functions of the Department under the Acts of August 11, 1939, and October 14, 1940 (16 U.S.C. 590y-z-10), as amended and supplemented, June 28, 1949 (63 Stat. 277), and September 6, 1950 (7 U.S.C. 1033-39), relating to water conservation and utilization projects, to remain available until expended, \$75,000, which sum shall be merged with the unexpended balances of funds heretofore appropriated to said Department for the purpose of said Acts. (5 U.S.C. 511-512; Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.)

Appropriated 1960, \$75,000

Program and Financing

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|-------------|---------------|---------------|
| Program by activities: | | | |
| 1. Development of land for irrigation (total program costs) | \$242,270 | \$75,150 | \$60,000 |
| 2. Relation of costs to obligations: | | | |
| Costs financed from obligations of other years (unpaid undelivered orders), net (-) | | -150 | |
| Obligations incurred for costs of other years (unpaid undelivered orders), net (-) | 112 | | |
| Total program (obligations) | 242,382 | 75,000 | 60,000 |
| Financing: | | | |
| Unobligated balance brought forward | -17,185 | -109,803 | -109,803 |
| Unobligated balance carried forward | 109,803 | 109,803 | 49,803 |
| Appropriation (new obligational authority) | 335,000 | 75,000 | |

The Service has been developing irrigation farming units for sale on the Eden Valley project in Wyoming, where the Bureau of Reclamation has constructed the water storage facility and the principal canals. All land leveling will have been completed by December 31, 1959, and all irrigation farming units are scheduled for sale by June 30, 1960. Technical assistance and guidance will be furnished to new settlers with respect to proper irrigation farming practices and soil and water conservation until the end of the 1961 crop season, unless the area of the project is earlier included within a soil conservation district. It is planned that the project office will be closed by December 31, 1961.

2. *Relation of costs to obligations.*—The year-end balances of unpaid undelivered orders are as follows: 1958, \$38; 1959, \$150.

Object Classification

| | 1959 actual | 1960 estimate | 1961 estimate | |
|---|-------------|---------------|---------------|---------|
| Total number of permanent positions | 16 | 6 | 6 | |
| Full-time equivalent of all other positions | 18 | 1 | 1 | |
| Average number of all employees | 36 | 11 | 9 | |
| Number of employees at end of year | 27 | 7 | 7 | |
| Average GS grade and salary | 6.7 | \$5,491 | 6.9 | \$5,520 |
| 01 Personal services: | | | | |
| Permanent positions | \$97,863 | \$55,500 | \$44,100 | |
| Positions other than permanent | 78,430 | 4,600 | 3,500 | |
| Other personal services | 23,635 | 500 | 400 | |
| Total personal services | 199,928 | 60,600 | 48,000 | |
| 02 Travel | 1,388 | 1,100 | 1,000 | |
| 03 Transportation of things | 348 | 300 | 200 | |
| 04 Communication services | 2,034 | 1,500 | 1,000 | |
| 05 Rents and utility services | 3,489 | 2,500 | 2,300 | |
| 06 Printing and reproduction | 930 | | | |
| 07 Other contractual services | 1,126 | 700 | 1,000 | |
| 08 Supplies and materials | 28,054 | 6,040 | 4,700 | |
| 09 Equipment | 13 | 50 | 50 | |
| 11 Grants, subsidies, and contributions | 5,967 | 3,600 | 2,900 | |
| 13 Refunds, awards, and indemnities | 3 | 10 | | |
| 15 Taxes and assessments | 2,254 | 100 | 100 | |
| Subtotal | 245,534 | 76,500 | 61,250 | |
| Deduct quarters and subsistence charges | 3,152 | 1,500 | 1,250 | |
| Total obligations | 242,382 | 75,000 | 60,000 | |

ALLOCATIONS AND ALLOTMENTS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allocations and allotments from other accounts are included in the schedules of the parent appropriation, as follows:
 "Conservation reserve program," Commodity Stabilization Service.
 "Mutual security—economic," funds appropriated to the President.
 "Plant acquisition and construction," Atomic Energy Commission.

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|-------------|---------------|---------------|
| Program by activities: | | | |
| 1. Sale of maps and mosaics | \$531,395 | \$569,978 | \$585,000 |
| 2. Sale of personal property | 361,300 | 430,388 | 485,000 |
| 3. Miscellaneous services to other accounts | 1,355,017 | 1,230,595 | 1,258,000 |
| 4. Adjustment of prior year costs | -19,807 | | |
| Total program (costs—obligations) | 2,227,905 | 2,280,961 | 2,328,000 |
| Financing: | | | |
| Advances and reimbursements from— | | | |
| Other accounts | 1,633,454 | 1,478,134 | 1,524,000 |
| Non-Federal sources | 594,451 | 802,827 | 804,000 |
| Total financing | 2,227,905 | 2,280,961 | 2,328,000 |

NOTE.—Reimbursements from non-Federal sources above are from State, county, municipal, and private organizations for soil and water conservation work rendered under cooperative agreements (16 U.S.C. 590a-590ff); from Government agencies, farmers, or other persons for reproduction of aerial and other photographs, mosaics, and soil and land use and other maps (7 U.S.C. 1387); and from proceeds of sale of personal property (40 U.S.C. 481(c)).

SOIL CONSERVATION SERVICE—Continued**Intragovernmental funds—Continued****ADVANCES AND REIMBURSEMENTS—Continued****Object Classification**

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|-------------|---------------|---------------|
| Total number of permanent positions..... | 66 | 70 | 71 |
| Full-time equivalent of all other positions..... | 16 | 12 | 14 |
| Average number of all employees..... | 184 | 188 | 190 |
| Number of employees at end of year..... | 66 | 71 | 71 |
| Average GS grade and salary..... | 6.7 | \$5,491 | 6.9 \$5,520 |
| 01 Personal services: | | | |
| Permanent positions..... | \$897,317 | \$917,558 | \$922,500 |
| Positions other than permanent..... | 57,688 | 43,272 | 49,500 |
| Other personal services..... | 39,458 | 33,820 | 33,000 |
| Total personal services..... | 994,613 | 994,950 | 1,005,000 |
| 02 Travel..... | 58,426 | 61,800 | 64,000 |
| 03 Transportation of things..... | 10,068 | 10,194 | 9,500 |
| 04 Communication services..... | 4,579 | 4,846 | 5,000 |
| 05 Rents and utility services..... | 74,418 | 64,896 | 65,200 |
| 06 Printing and reproduction..... | 21,213 | 60,000 | 60,000 |
| 07 Other contractual services..... | 437,193 | 418,182 | 439,700 |
| 08 Supplies and materials..... | 232,731 | 190,948 | 200,000 |
| 09 Equipment..... | 342,873 | 420,321 | 423,000 |
| 11 Grants, subsidies, and contributions..... | 50,046 | 53,150 | 55,000 |
| 13 Refunds, awards, and indemnities..... | 492 | 624 | 600 |
| 15 Taxes and assessments..... | 1,253 | 1,050 | 1,000 |
| Total obligations..... | 2,227,905 | 2,280,961 | 2,328,000 |

AGRICULTURAL CONSERVATION PROGRAM SERVICE**Current authorizations:****AGRICULTURAL CONSERVATION PROGRAM**

For necessary expenses to carry into effect the program authorized in sections 7 to [16] 15, 16(a), and 17 of the Soil Conservation and Domestic Allotment Act, approved February 29, 1936, as amended (16 U.S.C. 590g-590(o), 590p(a), and 590q), including not to exceed \$6,000 for the preparation and display of exhibits, including such displays at State, interstate, and international fairs within the United States, [S\$241,500,000] \$242,600,000, to remain available until December 31 of the next succeeding fiscal year for compliance with the program of soil-building and soil- and water-conserving practices authorized under this head in the Department of Agriculture and Farm Credit Administration Appropriation Act, [1959] 1960, carried out during the period July 1, [1958] 1959, to December 31, [1959] 1960, inclusive: *Provided*, That not to exceed \$26,832,950 of the total sum provided under this head shall be available during the current fiscal year for administrative expenses for carrying out such program, the cost of aerial photographs, however, not to be charged to such limitation; but not more than [S\$5,424,200] \$5,458,900 shall be transferred to the appropriation account "Administrative expenses, section 392, Agricultural Adjustment Act of 1938": *Provided further*, That none of the funds herein appropriated shall be used to pay the salaries or expenses of any regional information employees or any State information employees, but this shall not preclude the answering of inquiries or supplying of information at the county level to individual farmers: *Provided further*, That such amounts shall be available for administrative expenses in connection with the formulation and administration of the [1960] 1961 program of soil-building and soil- and water-conserving practices, under the Act of February 29, 1936, as amended (amounting to [S\$250,000,000] \$100,000,000, including administration, and no participant shall receive more than \$2,500, except where the participants from two or more farms or ranches join to carry out approved practices designed to conserve or improve the agricultural resources of the community): *Provided further*, That no change shall be made in such 1960 program which will have the effect in any county, of restricting eligibility requirements or cost-sharing on practices included in either the 1957 or the 1958 programs, unless such change shall have been recommended by the county committee and approved by the State committee: *Provided further*, That the proportion of the State fund initially allocated to any county for the 1960 program shall not be reduced from the distribution of such fund for the 1958 program year: *Provided*

further, That not to exceed 5 per centum of the allocation for the [1960] 1961 agricultural conservation program for any county may, on the recommendation of such county committee and approval of the State committee, be withheld and allotted to the Soil Conservation Service for services of its technicians in formulating and carrying out the agricultural conservation program in the participating counties, and shall not be utilized by the Soil Conservation Service for any purpose other than technical and other assistance in such counties, and in addition, on the recommendation of such county committee and approval of the State committee, not to exceed 1 per centum may be made available to any other Federal, State, or local public agency for the same purpose and under the same conditions: *Provided further*, That for the [1960] 1961 program \$2,500,000 shall be available for technical assistance in formulating and carrying out agricultural conservation practices and \$1,000,000 shall be available for conservation practices related directly to flood prevention work in approved watersheds: *Provided further*, That such amounts shall be available for the purchase of seeds, fertilizers, lime, trees, or any other farming material, or any soil-terracing services, and making grants thereof to agricultural producers to aid them in carrying out farming practices approved by the Secretary under programs provided for herein: *Provided further*, That no part of any funds available to the Department, or any bureau, office, corporation, or other agency constituting a part of such Department, shall be used in the current fiscal year for the payment of salary or travel expenses of any person who has been convicted of violating the Act entitled "An Act to prevent pernicious political activities", approved August 2, 1939, as amended, or who has been found in accordance with the provisions of title 18, United States Code, section 1913, to have violated or attempted to violate such section which prohibits the use of Federal appropriations for the payment of personal services or other expenses designed to influence in any manner a Member of Congress to favor or oppose any legislation or appropriation by Congress except upon request of any Member or through the proper official channels. (*Department of Agriculture and Farm Credit Administration Appropriation Act, 1960*.)

Appropriated 1960, \$241,500,000

Estimate 1961, \$242,600,000

Program and Financing

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|---------------|---------------|---------------|
| Program by activities: | | | |
| Direct costs: | | | |
| 1. Cost-sharing assistance to farmers..... | \$212,572,505 | \$212,000,000 | \$211,800,000 |
| 2. Repayment of loans from Commodity Credit Corporation..... | 22,501,619 | 29,500,759 | 30,800,000 |
| 3. Adjustment of prior year costs..... | -164,233 | | |
| Total direct costs ¹ | 234,909,891 | 241,500,759 | 242,600,000 |
| 4. Relation of costs to obligations: | | | |
| Obligations incurred for costs of other years, net..... | 90,969 | | |
| Total direct obligations..... | 235,000,860 | 241,500,759 | 242,600,000 |
| Costs and obligations from amounts advanced by Commodity Credit Corporation: Cost-sharing assistance to farmers..... | 40,000,000 | 38,200,000 | 19,200,000 |
| Reimbursable costs—obligations: Cost-sharing assistance to farmers..... | 444,000 | 444,000 | 444,000 |
| Total program (obligations)..... | 275,444,860 | 280,144,759 | 262,244,000 |
| Financing: | | | |
| Unobligated balance brought forward..... | -1,619 | -759 | |
| Advances and reimbursements from— | | | |
| Commodity Credit Corporation (loan)..... | -40,000,000 | -38,200,000 | -19,200,000 |
| Other accounts..... | -100,000 | -140,000 | -140,000 |
| Non-Federal sources..... | -344,000 | -304,000 | -304,000 |
| Unobligated balance carried forward..... | 759 | | |
| Appropriation (new obligational authority)..... | 235,000,000 | 241,500,000 | 242,600,000 |

¹ Includes capital outlay as follows: June 30, 1959, \$11,100; 1960, \$10,000; 1961, \$10,000.

NOTE.—Reimbursements from non-Federal sources above are from proceeds of sale of aerial photographs (7 U.S.C. 1387).

The program is designed to encourage conservation by sharing with farmers and ranchers the cost of carrying out approved soil-building and soil- and water-conserving practices which farmers generally would not perform to the needed extent with their own resources. The rate of cost-sharing, which may be given in the form of conservation materials and services or a payment after completion of the practice, averages approximately 50% of the cost.

Conservation measures for which cost-sharing is offered include those which are primarily for (a) establishment of permanent protective cover, (b) improvement and protection of established vegetative cover, (c) conservation and disposal of water, (d) establishment of temporary vegetative cover, and (e) temporary protection of soil from wind and water erosion.

Under the 1958 program, new or additional practices were established on 1,083,706 farms and ranches, consisting of 33% of the cropland and 33% of all farmland in the United States. The following practices were installed under the 1958 program:

| | | |
|--|--------|------------|
| Dams and reservoirs..... | number | 62,469 |
| Drainage..... | acres | 1,644,878 |
| Leveling land to conserve irrigation water and control erosion..... | acres | 345,532 |
| Standard terraces..... | acres | 855,861 |
| Diversion and spreader terraces..... | miles | 4,826 |
| Stripcropping..... | acres | 486,288 |
| Control of competitive shrubs on range or pasture..... | acres | 1,494,044 |
| Tree planting..... | acres | 323,892 |
| Liming materials applied for soil-conserving grass and legume crops..... | tons | 16,844,971 |
| Permanent sod waterways..... | acres | 48,866 |
| Timber-stand improvement..... | acres | 321,253 |
| All vegetative cover..... | acres | 12,661,735 |

Funds are distributed among the States on the basis of conservation needs. They are, in turn, distributed by the agricultural stabilization and conservation State committees to counties, and the agricultural stabilization and conservation county committees make commitments for conservation practice cost-sharing to eligible farmers and ranchers.

Loans from Commodity Credit Corporation are used to make advance payments to vendors for conservation materials and services furnished to farmers and ranchers prior to the time funds are appropriated each year. Repayment is made from balances of prior appropriations or from new funds appropriated.

The status of the loan account is:

| AMOUNTS REPAYED OR ESTIMATED TO BE REPAYED ON COMMODITY CREDIT CORPORATION LOANS | | | | |
|--|--------------|---------------|---------------|--------------|
| | 1959 actual | 1960 estimate | 1961 estimate | Total |
| Balance of 1958 loan..... | \$22,500,000 | | | \$22,500,000 |
| 1959 loan..... | 10,500,000 | \$29,500,000 | | 40,000,000 |
| 1960 loan..... | | 7,400,000 | \$30,800,000 | 38,200,000 |
| Total..... | 33,000,000 | 36,900,000 | 30,800,000 | 100,700,000 |
| Interest..... | 86,073 | 236,824 | 200,000 | 522,897 |

A program level of \$100 million for the 1961 crop year is proposed, a reduction of \$150 million below the 1960 program. It is anticipated that Federal cost-sharing assistance under the 1961 program will be directed toward conservation measures in each county which will contribute to less intensive use of cropland, and that assistance will be curtailed or eliminated for those conservation measures which will contribute to an early increase in production. Payments for the 1961 program will be made from the 1962 appropriation.

4. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

| | 1958 actual | 1959 actual | 1960 estimate | 1961 estimate |
|--|----------------|----------------|------------------|------------------|
| Selected resources at end of year: Inventories and items on order: | | | | |
| Stores (goods unconsumed by projects)..... | \$64,607 | \$80,400 | \$80,400 | \$80,400 |
| Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)..... | 431,991 | 342,934 | 342,934 | 342,934 |
| Total selected resources at end of year..... | 496,598 | 423,334 | 423,334 | 423,334 |
| Selected resources at start of year (-) | -496,598 | -423,334 | -423,334 | -423,334 |
| Adjustment of prior year costs and selected resources reported at start of year..... | 164,233 | ----- | ----- | ----- |
| Obligations incurred for costs of other years, net..... | 90,969 | ----- | ----- | ----- |

| Object Classification | | | | |
|---|---------------|---------------|---------------|---------|
| | 1959 actual | 1960 estimate | 1961 estimate | |
| AGRICULTURAL CONSERVATION PROGRAM SERVICE | | | | |
| Total number of permanent positions..... | 64 | 68 | 67 | |
| Full-time equivalent of all other positions..... | 1 | 1 | 1 | |
| Average number of all employees..... | 62 | 66 | 66 | |
| Number of employees at end of year..... | 68 | 71 | 70 | |
| Average GS grade and salary..... | 7.9 | \$6,806 | 7.9 | \$6,779 |
| | | | 7.9 | \$6,812 |
| Direct obligations: | | | | |
| 01 Personal services: | | | | |
| Permanent positions..... | \$427,384 | \$444,594 | \$443,718 | |
| Positions other than permanent..... | 3,343 | 3,232 | 3,240 | |
| Other personal services..... | 1,644 | 3,419 | 1,708 | |
| Total personal services..... | 432,371 | 451,245 | 448,666 | |
| 02 Travel..... | 30,842 | 42,000 | 42,000 | |
| 03 Transportation of things..... | 2,774 | 2,000 | 2,000 | |
| 04 Communication services..... | 7,526 | 7,500 | 7,500 | |
| 06 Printing and reproduction..... | 15,987 | 10,000 | 10,000 | |
| 07 Other contractual services..... | 1,404 | 1,466 | 5,582 | |
| Advanced to "Administrative expenses, sec. 392, Agricultural Adjustment Act of 1938" (7 U.S.C. 1392)..... | 23,445 | 23,655 | 23,655 | |
| Services performed by other agencies..... | 8,659 | 6,000 | 6,000 | |
| 08 Supplies and materials..... | 6,537 | 6,100 | 6,163 | |
| 09 Equipment..... | 6,476 | 2,000 | 2,000 | |
| 11 Grants, subsidies, and contributions..... | 27,283 | 29,331 | 29,163 | |
| 13 Refunds, awards, and indemnities..... | 208,685,472 | 213,584,834 | 214,684,075 | |
| 15 Taxes and assessments..... | 400 | 328 | 328 | |
| Total direct obligations..... | 209,249,489 | 214,166,459 | 215,267,132 | |
| Reimbursable obligations: | | | | |
| 11 Grants, subsidies, and contributions..... | 40,444,000 | 38,644,000 | 19,644,000 | |
| Total, Agricultural Conservation Program Service..... | 249,693,489 | 252,810,459 | 234,911,132 | |
| ALLOTMENT ACCOUNTS | | | | |
| Total number of permanent positions..... | 128 | 128 | 128 | |
| Full-time equivalent of all other positions..... | 5 | 5 | 5 | |
| Average number of all employees..... | 122 | 123 | 123 | |
| Number of employees at end of year..... | 131 | 131 | 131 | |
| Average GS grade and salary..... | 6.2 | \$5,365 | 6.0 | \$5,347 |
| | | | 6.1 | \$5,400 |
| 01 Personal services: | | | | |
| Permanent positions..... | \$582,395 | \$586,981 | \$590,337 | |
| Positions other than permanent..... | 16,477 | 13,414 | 13,289 | |
| Other personal services..... | 3,987 | 5,718 | 3,536 | |
| Total personal services..... | 602,859 | 606,113 | 607,162 | |
| 02 Travel..... | 12,453 | 15,300 | 15,300 | |
| 03 Transportation of things..... | 16,946 | 13,100 | 13,100 | |
| 04 Communication services..... | 4,983 | 5,640 | 5,480 | |
| 05 Rents and utility services..... | 15,990 | 27,102 | 27,102 | |
| 06 Printing and reproduction..... | 1,613 | 1,550 | 1,550 | |
| 07 Other contractual services..... | 308,778 | 327,382 | 329,690 | |
| Advanced to— | | | | |
| "Administrative expenses, sec. 392, Agricultural Adjustment Act of 1938" (7 U.S.C. 1392)..... | 4,790,014 | 4,825,084 | 4,858,276 | |
| "Local administration, sec. 388, Agricultural Adjustment Act of 1938" (7 U.S.C. 1388)..... | 19,753,361 | 21,295,131 | 21,259,777 | |
| Services performed by other agencies..... | 10,954 | 11,700 | 11,700 | |
| 08 Supplies and materials..... | 167,230 | 159,217 | 158,400 | |
| 09 Equipment..... | 9,050 | 6,700 | 5,200 | |
| 11 Grants, subsidies, and contributions..... | 55,500 | 38,126 | 38,201 | |
| 13 Refunds, awards, and indemnities..... | 1,274 | 1,625 | 1,300 | |
| 15 Taxes and assessments..... | 366 | 630 | 630 | |
| Total, allotment accounts..... | 25,751,371 | 27,334,300 | 27,332,868 | |
| Obligations are distributed as follows: | | | | |
| Agricultural Conservation Program Service..... | \$249,693,489 | \$252,810,459 | \$234,911,132 | |
| Commodity Stabilization Service..... | 25,621,750 | 27,203,190 | 27,201,028 | |
| Forest Service..... | 129,621 | 131,110 | 131,840 | |

| EMERGENCY CONSERVATION MEASURES | | | | |
|---|-------------|---------------|---------------|--|
| Program and Financing | | | | |
| | 1959 actual | 1960 estimate | 1961 estimate | |
| Program by activities: | | | | |
| Emergency cost-sharing assistance to farmers (total costs—obligations) (object class 11)..... | \$2,221,495 | \$5,000,000 | \$5,000,000 | |
| Financing: | | | | |
| Unobligated balance brought forward..... | 15,856,254 | -15,856,254 | -10,856,254 | |
| Unobligated balance carried forward..... | 10,856,254 | 10,856,254 | 5,856,254 | |
| Reappropriation (new obligational authority)..... | 18,077,749 | ----- | ----- | |

AGRICULTURAL CONSERVATION PROGRAM SERVICE—Continued

Current authorizations—Continued

EMERGENCY CONSERVATION MEASURES—Continued

Cost-sharing assistance (up to 80% of the cost of carrying out approved practices) is offered to assist and encourage farmers to rehabilitate farmlands damaged by natural disasters. Assistance is available only when, as a result of wind erosion, floods, hurricanes, or other natural disasters, new conservation problems have been created which (a) if not treated, will impair or endanger the land; (b) materially affect the productive capacity of the land; (c) represent damage which is unusual in character and, except for wind erosion, is not the type which would recur frequently in the same area; and (d) will be so costly to rehabilitate that Federal assistance is or will be required to return the land to productive agricultural use.

Funds for emergency cost-sharing assistance are distributed among States on the basis of needs for restoration of damaged lands.

ALLOTMENTS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allotments from other accounts are included in the schedules of the parent appropriations as follows:
 “Conservation reserve program,” Commodity Stabilization Service.
 “Great Plains conservation program,” Soil Conservation Service.

AGRICULTURAL MARKETING SERVICE

Current authorizations:

MARKETING RESEARCH AND SERVICE

For expenses necessary to carry on research and service to improve and develop marketing and distribution relating to agriculture as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621–1627) and other laws, including the administration of marketing regulatory acts connected therewith: *Provided*, That appropriations hereunder shall be available pursuant to 5 U.S.C. 565a for the construction, alteration, and repair of buildings and improvements, but unless otherwise provided, the cost of erecting any one building shall not exceed [§10,000] \$17,500, except for two buildings to be constructed or improved at a cost not to exceed [§20,000] §35,000 each, and the cost of altering any one building during the fiscal year shall not exceed [§3,750] \$7,500 or [§3] 6 per centum of the cost of the building, whichever is greater:

Marketing research and agricultural estimates: For research and development relating to agricultural marketing and distribution, for analyses relating to farm prices, income and population, and demand for farm products, and for crop and livestock estimates, [§15,344,500] \$16,571,500: *Provided*, That not less than \$350,000 of the funds contained in this appropriation shall be available to continue to gather statistics and conduct a special study on the price spread between the farmer and the consumer: *Provided further*, That no part of the funds herein appropriated shall be available for any expense incident to publishing estimates of apple production for other than the commercial crop;

Marketing services: For services relating to agricultural marketing and distribution, for carrying out regulatory acts connected therewith, [including the Packers and Stockyards Act, as amended September 2, 1958,] and for administration and coordination of payments to States, [§26,072,600, of which \$15,000 shall be available for range and feedlot market reporting in Colorado and adjacent areas and] \$26,570,400, including not to exceed \$25,000 for employment at rates not to exceed \$50 per diem, except for employment in rate cases at not to exceed \$100 per diem pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), in carrying out section 201(a) to 201(d), inclusive, of title II of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1291) and section 203(j) of the Agricultural Marketing Act of 1946. (5 U.S.C. 511–512, 541a, 556b, 563–564, 575; 7 U.S.C. 51–65, 71–87, 91–99, 181–229, 241–273, 411, 411a, 411b, 414a, 415b–415e, 423, 440, 471–476, 491–497, 499a–499s, 501–508, 511–511g, 516, 581–589, 951–957, 1551–1610; 15 U.S.C. 251–257i; 21 U.S.C. 94a, 451–469;

26 U.S.C. 4851–4854, 4861–4865, 4871–4877, 6001, 6804, 7233, 7263, 7492, 7493, 7701; 31 U.S.C. 725d; Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.)

Appropriated 1960, \$41,417,100

Estimate 1961, a \$43,141,900

^a Includes \$50,000 for activities previously carried under “Salaries and expenses,” Agricultural Research Service. The amount obligated in 1960 is shown in the schedule as a comparative transfer.

| | Program and Financing | | |
|---|-----------------------|-------------------|-------------------|
| | 1959 actual | 1960 estimate | 1961 estimate |
| Program by activities: | | | |
| Direct costs: | | | |
| 1. Marketing research and agricultural estimates: | | | |
| (a) Marketing research..... | \$7,460,364 | \$7,343,500 | \$7,892,200 |
| (b) Economic and statistical analysis..... | 1,588,696 | 1,632,900 | 1,643,500 |
| (c) Crop and livestock estimates..... | 6,179,068 | 6,436,100 | 7,035,800 |
| Total, marketing research and agricultural estimates..... | 15,228,128 | 15,412,500 | 16,571,500 |
| 2. Marketing services: | | | |
| (a) Market news service..... | 4,824,402 | 4,999,000 | 5,029,100 |
| (b) Inspection, grading, classing, and standardization..... | 13,996,591 | 18,195,000 | 18,393,800 |
| (c) Freight rate services..... | 180,311 | 190,000 | 191,200 |
| (d) Regulatory activities..... | 2,273,093 | 2,595,600 | 2,880,900 |
| (e) Administration and coordination of State payments..... | 68,867 | 75,000 | 75,400 |
| Total, marketing services..... | 21,343,264 | 26,054,600 | 26,570,400 |
| Total direct costs ¹ | 36,571,392 | 41,467,100 | 43,141,900 |
| 3. Relation of costs to obligations: Obligations incurred for costs of other years, net..... | 90,152 | | |
| Total direct obligations..... | 36,661,544 | 41,467,100 | 43,141,900 |
| Reimbursable costs—obligations: | | | |
| 2. Marketing services: (b) Inspection, grading, classing, and standardization ² | 2,379,585 | 3,305,000 | 3,305,000 |
| Total program (obligations)..... | 39,041,129 | 44,772,100 | 46,446,900 |
| Financing: | | | |
| Comparative transfers from (—) other accounts..... | | —50,000 | |
| Advances and reimbursements from other accounts..... | —2,379,585 | —3,305,000 | —3,305,000 |
| Unobligated balance no longer available..... | 1,305,156 | | |
| New obligational authority..... | 37,966,700 | 41,417,100 | 43,141,900 |
| New obligational authority: | | | |
| Appropriation..... | \$34,854,000 | \$41,417,100 | \$43,141,900 |
| Transferred from “Conservation reserve program,” Commodity Stabilization Service (73 Stat. 34)..... | 3,112,700 | | |
| Appropriation (adjusted)..... | 37,966,700 | 41,417,100 | 43,141,900 |

¹ Includes capital outlay as follows: June 30, 1959, \$596,919; 1960, \$334,000; 1961, \$379,700.

² Includes capital outlay as follows: June 30, 1959, \$38,859; 1960, \$26,400; 1961, \$26,400.

The domestic agricultural marketing and distribution functions of the Department are concentrated primarily in the Agricultural Marketing Service. The marketing job has become more complex with growth and shift in population, technological developments in production and marketing, and as more functions have been transferred from the farm and home to various segments of the marketing system. The work under this appropriation is aimed at aiding in the orderly and efficient marketing and effective distribution of agricultural products from the Nation's farms to the consumers.

1. **Marketing research and agricultural estimates**—(a) **Marketing research**.—This work is aimed at developing practical answers to problems encountered in moving products from the farm to the consumer. In cooperation with public and private agencies and trade groups, efforts are made to expand markets, reduce losses from waste and spoilage, and reduce marketing costs through improved marketing efficiency and organization. The work includes research at each stage of marketing, such as at assembly points, terminal or central markets, and retail markets.

In 1959, research was conducted on more than 500 projects each aimed at a specific marketing research problem. Work was completed or discontinued on 109 projects and started on 77 new projects in 1959. The findings of this research were made public primarily through about 115 marketing research reports and other printed documents in addition to about 350 periodic reports, addresses, and extracted reprints in farm and trade journals. Additional dissemination of these results was obtained through articles reviewing research findings in various general and trade journals and approximately 100 press releases. During the year 40 new contracts providing for marketing research work by private firms and other non-Federal agencies were negotiated. In total, 59 contracts were active at the close of 1959. The proposed increase for 1961 would be used to find solutions to urgent problems dealing with the marketing and distribution system for agricultural products.

(b) *Economic and statistical analysis.*—This work involves the collection, analysis and interpretation of data affecting agricultural prices, farm income, supply and consumption of farm products, trends in farm population, and changes in the level of living of farm people. The results of these studies are made available through situation, outlook and research reports which serve as the basis for much of the economic work done by the Extension Service, farm organizations, businessmen, and organizations handling farm products. Farmers and others rely on information from these reports in planning the most profitable adjustments in their operations and marketing programs. Approximately 80 of the 90 outlook and situation reports published by the Department were issued under this activity. Further technical reporting of economic and statistical analysis activities was contained in about 34 reports published during 1959.

(c) *Crop and livestock estimates.*—This service provides the official estimates on agriculture, including acreage, yield, and production of crops, stocks and value of farm commodities, numbers and inventory value of livestock items, and prices paid and received by farmers. These data also are basic to computation of parity prices. Data on approximately 150 crop and livestock products are covered in more than 500 reports issued each year. The activity is conducted through 42 State offices serving 49 States, most of which are operated as joint State and Federal services. Cooperative arrangements permit the States to obtain a great deal of data which would not be collected or made available from Federal funds. During 1959, cooperating States expended an estimated \$1.34 million of their own funds on these associated State programs. A comparison of activity data for 1958 and 1959, including work performed under cooperative arrangements, is as follows:

| | 1958 actual | 1959 actual |
|--|-------------|-------------|
| Separate mailings of inquiry forms, average per field office | 340 | 344 |
| Total questionnaires handled, all field and D.C. offices: | | |
| Number distributed | 9,300,000 | 9,500,000 |
| Number of returns tabulated | 2,850,000 | 2,900,000 |
| Number of official reports issued, all offices | 8,600 | 8,600 |
| Copies of reports distributed | 13,100,000 | 13,200,000 |
| Publications distributed: | | |
| Federal (mainly Agricultural Situation) | 3,100,000 | 3,100,000 |
| State: Statistical and other | 360,000 | 360,000 |
| Special requests for information answered | 73,000 | 75,000 |

The increase for 1961 would be used to put into effect some initial steps in the long-range program to improve crop and livestock estimating service, to expand the agricultural reporting service in Hawaii, and to initiate full-time service in Alaska.

2. *Marketing services*—(a) *Market news service.*—This service provides current information on supply, movement, and prices at specific markets for practically all agricultural commodities. This day-to-day market information enables American farmers to determine where and when to sell and at what price. The information is collected and disseminated at year-round and seasonal offices maintained in more than 100 cities and towns, often with financial support and cooperation of the States. Every available means of dissemination is used—mail, press, radio, television, telephone, telegraph, bulletin boards, and trade and farm publications.

MARKET NEWS SERVICE

| | 1957 actual | 1958 actual | 1959 actual |
|--|-------------|-------------|-------------|
| States covered by cooperative agreement | 38 | 39 | 40 |
| Field offices: | | | |
| Year-round | 173 | 176 | 181 |
| Seasonal | 39 | 51 | 52 |
| Buyers and sellers interviewed | 19,608 | 21,734 | 21,742 |
| Daily newspapers carrying reports (approximate) | 1,200 | 1,200 | 1,200 |
| Stations broadcasting reports: | | | |
| Radio | 1,461 | 1,460 | 1,470 |
| Television | 149 | 150 | 165 |
| Mimeographed releases to growers, shippers, and others | 32,244,428 | 28,844,077 | 25,733,345 |
| Names on mailing list | 303,651 | 302,646 | 295,139 |

(b) *Inspection, grading, classing, and standardization.*—Uniform standards of quality for agricultural products are established and applied to specific lots of produce to promote confidence between buyers and sellers; reduce hazards in marketing due to misunderstandings and disputes arising from the use of nonstandard descriptions; encourage better preparation of products for market; and furnish consumers with more definite information on the quality of products they buy. The standards are applied directly by or under the supervision of Federal employees at the request of any interested party, and generally for a fee. Approximately 70% of the total cost of this work was offset by fees and other revenue in 1959, which are shown principally under "Agricultural Marketing Service trust funds" in part III of the budget.

The proposed increase for 1961 would be used to provide more effective supervision of the greatly expanded volume of inspections by licensees under the U.S. Grain Standards Act, as amended.

STANDARDIZATION ACTIVITIES

| | 1957 actual | 1958 actual | 1959 actual |
|-------------------------------|-------------|-------------|-------------|
| Grade standards in effect | 3,151 | 1,1,379 | 1,385 |
| Number of commodities covered | 268 | 276 | 277 |

¹ Reduction due to revised method of tabulating tobacco grades and types.

INSPECTION, GRADING, AND CLASSING ACTIVITIES UNDER APPROPRIATED FUNDS

| | 1959 actual | 1960 estimate | 1961 estimate |
|---------------------------------------|-----------------------|---------------|---------------|
| Cotton classings by Federal employees | number.. 16,520,319 | 17,500,000 | 17,500,000 |
| Poultry products inspection: | | | |
| Volume inspected | 1,000 lbs.. 3,298,271 | 7,496,874 | 7,991,643 |
| Grain inspections by licensees | number.. 3,511,548 | 3,600,000 | 3,700,000 |
| Volume inspected | 1,000 bu.. 6,419,624 | 6,600,000 | 6,700,000 |
| Tobacco auction markets | number.. 177 | 177 | 177 |
| Volume inspected at markets | million lbs.. 1,765 | 1,850 | 1,850 |
| Sets of buyers | number.. 240 | 240 | 240 |

(c) *Freight rate services.*—Assistance is provided to farmers and others in obtaining and maintaining equitable and reasonable transportation rates and services on farm products and supplies. The Department in 1959 participated in 79 formal litigation actions before the Interstate Commerce Commission and other regulatory bodies and carried on 60 informal negotiations with carriers and groups of carriers.

AGRICULTURAL MARKETING SERVICE—Continued

Current authorizations—Continued

MARKETING RESEARCH AND SERVICE—Continued

(d) *Regulatory activities.*—These include the administration of regulatory laws such as packers and stockyards, standard container, U.S. warehouse, and Federal seed, to assure fair play in the market place and protect producers and handlers of agricultural commodities from financial loss due to deceptive, careless, or fraudulent marketing practices. The continued growth of facilities and means for storing, buying, and selling results in more demand and need for protection and benefits of regulatory laws. The increase for 1961 would be used to provide for more adequate enforcement of the Packers and Stockyards Act, as amended; to initiate work on one aspect of the amendment to the Federal Seed Act approved August 1, 1958, relating primarily to labeling requirements; and to relieve the increasingly heavy workload on mandatory testing of seed offered for importation through north central U.S. ports of entry.

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|-------------|---------------|---------------|
| Packers and Stockyards Act: | | | |
| Yards eligible for posting and supervision (estimated) | 2,300 | 2,300 | 2,300 |
| Yards posted and supervised | 1,528 | 2,200 | 2,300 |
| Warehouse Act: | | | |
| Number of licensed warehouses | 1,716 | 1,750 | 1,775 |
| Capacity of licensed warehouses: | | | |
| Grain (million bushels) | 1,030.3 | 1,175.0 | 1,200.0 |
| Cotton (million bales) | 13.3 | 13.6 | 13.6 |
| Average number of supervisory inspections per warehouse | 1.74 | 1.70 | 1.65 |
| Seed Act: | | | |
| Import actions | 16,472 | 17,000 | 18,500 |
| Interstate investigations: | | | |
| Completed | 769 | 850 | 850 |
| Pending | 736 | 900 | 1,050 |
| Seed samples tested | 20,018 | 20,800 | 23,800 |

(e) *Administration and coordination of State payments.*—This covers the activity required in administering and coordinating the marketing service work performed by the States and financed jointly by State funds and Federal funds provided by the appropriation "Payments to States and possessions." In 1959, this work was carried on in 42 States.

3. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

| | 1958 actual | 1959 actual | 1960 estimate | 1961 estimate |
|---|----------------|----------------|------------------|------------------|
| Selected resources at end of year: | | | | |
| Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received) | \$1,277,691 | \$1,251,123 | \$1,251,123 | \$1,251,123 |
| Advances (payment for goods and services on order not yet received) | 7,500 | 5,000 | 5,000 | 5,000 |
| Total selected resources at end of year | 1,285,191 | 1,256,123 | 1,256,123 | 1,256,123 |
| Selected resources at start of year (-) | -1,285,191 | -1,256,123 | -1,256,123 | -1,256,123 |
| Adjustment of prior year costs and selected resources reported at start of year | 119,220 | ----- | ----- | ----- |
| Obligations incurred for costs of other years, net.. | 90,152 | ----- | ----- | ----- |

Object Classification

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|--------------|---------------|---------------|
| Total number of permanent positions | 7,020 | 7,183 | 7,350 |
| Full-time equivalent of all other positions | 286 | 383 | 419 |
| Average number of all employees | 4,847 | 5,723 | 5,907 |
| Number of employees at end of year | 5,402 | 5,903 | 6,072 |
| Average GS grade and salary | 7.2 | \$5,753 | 7.3 |
| Average salary of ungraded positions | \$5,732 | 7.3 | \$5,748 |
| Personal service obligations: | \$4,260 | \$4,367 | \$4,392 |
| Permanent positions | \$27,093,268 | \$31,425,100 | \$32,242,500 |
| Positions other than permanent | 1,087,520 | 1,406,200 | 1,540,600 |
| Other personal services | 186,715 | 494,300 | 393,500 |
| Total personal service obligations | 28,367,503 | 33,325,600 | 34,176,600 |

Object Classification—Continued

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|--------------|---------------|---------------|
| Direct obligations: | | | |
| 01 Personal services | \$26,615,946 | \$30,773,100 | \$31,624,100 |
| 02 Travel | 1,977,554 | 2,275,300 | 2,505,000 |
| 03 Transportation of things | 287,257 | 205,400 | 212,100 |
| 04 Communication services | 1,904,677 | 2,300,000 | 2,320,600 |
| 05 Rents and utility services | 253,422 | 249,600 | 208,900 |
| 06 Printing and reproduction | 571,087 | 595,800 | 609,300 |
| 07 Other contractual services | 1,407,356 | 1,515,900 | 1,877,600 |
| Services performed by other agencies | 859,785 | 676,000 | 696,900 |
| 08 Supplies and materials | 546,874 | 507,700 | 541,700 |
| 09 Equipment | 540,591 | 328,800 | 410,900 |
| 10 Lands and structures | ----- | 20,000 | 55,000 |
| 11 Grants, subsidies, and contributions | 1,612,667 | 1,936,000 | 1,992,700 |
| 13 Refunds, awards, and indemnities | 23,541 | 26,000 | 26,100 |
| 15 Taxes and assessments | 60,787 | 57,500 | 61,000 |
| Total direct obligations | 36,661,544 | 41,467,100 | 43,141,900 |
| Reimbursable obligations: | | | |
| 01 Personal services | 1,751,557 | 2,552,500 | 2,552,500 |
| 02 Travel | 220,240 | 219,900 | 219,900 |
| 03 Transportation of things | 66,849 | 29,300 | 29,300 |
| 04 Communication services | 81,050 | 218,600 | 218,600 |
| 05 Rents and utility services | 22,212 | 28,300 | 28,300 |
| 06 Printing and reproduction | 16,652 | 16,200 | 16,200 |
| 07 Other contractual services | 11,594 | 8,400 | 8,400 |
| Services performed by other agencies | 23,537 | 20,800 | 20,800 |
| 08 Supplies and materials | 49,579 | 52,800 | 52,800 |
| 09 Equipment | 38,593 | 21,700 | 21,700 |
| 11 Grants, subsidies, and contributions | 88,458 | 117,700 | 117,700 |
| 13 Refunds, awards, and indemnities | 952 | 2,100 | 2,100 |
| 15 Taxes and assessments | 8,312 | 16,700 | 16,700 |
| Total reimbursable obligations | 2,379,585 | 3,305,000 | 3,305,000 |
| Total obligations | 39,041,129 | 44,772,100 | 46,446,900 |

PAYMENTS TO STATES, TERRITORIES, AND POSSESSIONS

For payments to departments of agriculture, bureaus and departments of markets, and similar agencies for marketing activities under section 204(b) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1623(b)), \$1,195,000. (*Department of Agriculture and Farm Credit Administration Appropriation Act, 1960*)

Appropriated 1960, \$1,195,000

Estimate 1961, \$1,195,000

Program and Financing

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|-------------|---------------|---------------|
| Program by activities: | | | |
| Payments for marketing service work (sec. 204(b) of the Agricultural Marketing Act of 1946) (total costs—obligations) (object class 11) | \$1,160,000 | \$1,195,000 | \$1,195,000 |
| Financing: | | | |
| Appropriation (new obligational authority) | 1,160,000 | 1,195,000 | 1,195,000 |

Payments are made on a matching fund basis to State marketing agencies for carrying out specifically approved programs designed to bring about improved marketing. Under this activity, marketing specialists work with farmers, marketing firms, and agencies in solving marketing problems and in putting to use marketing research results.

This program covers such projects as methods of maintaining and improving the quality of products; ways of reducing marketing costs; expanding outlets for surplus products; and the collection and dissemination of special State and local market information and statistics. Through this cooperative approach, the Federal Government's leadership and funds are coupled with State resources and experience to aid in the solution of the most urgent local and area marketing problems.

In 1960, with 42 States conducting about 115 projects, the program is being carried on generally at the same level as in 1959, except for an appropriation increase provided for potato marketing. For 1961, the program level will be the same as in 1960.

SCHOOL LUNCH PROGRAM

For necessary expenses to carry out the provisions of the National School Lunch Act (42 U.S.C. 1751-1760), \$110,000,000: *Provided*, That no part of this appropriation shall be used for nonfood assistance under section 5 of said Act: *Provided further*, That [§43,657,-248] \$40,000,000 shall be transferred to this appropriation from funds available under section 32 of the Act of August 24, 1935, for purchase and distribution of agricultural commodities and other foods pursuant to section 6 of the National School Lunch Act. (*Department of Agriculture and Farm Credit Administration Appropriation Act, 1960*.)

Appropriated 1960, \$110,000,000 Estimate 1961, \$110,000,000
Appropriated (adjusted) 1960, \$153,657,248 Estimate (adjusted) 1961, \$150,000,000

Program and Financing

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|---------------|---------------|---------------|
| Program by activities: | | | |
| 1. Food assistance: | | | |
| (a) Cash payments to States ----- | \$93,774,611 | \$93,600,000 | \$93,600,000 |
| (b) Commodity procurement ----- | 49,062,538 | 58,397,248 | 54,740,000 |
| 2. Operating expense ----- | 1,508,625 | 1,660,000 | 1,660,000 |
| Total program costs ¹ ----- | 144,345,774 | 153,657,248 | 150,000,000 |
| 3. Relation of costs to obligations: Obligations incurred for costs of other years, net ----- | 79,236 | | |
| Total program (obligations) ----- | 144,425,010 | 153,657,248 | 150,000,000 |
| Financing: | | | |
| Unobligated balance no longer available ----- | 574,990 | | |
| New obligational authority ----- | 145,000,000 | 153,657,248 | 150,000,000 |
| New obligational authority: | | | |
| Appropriation ----- | \$110,000,000 | \$110,000,000 | \$110,000,000 |
| Transferred from "Removal of surplus agricultural commodities" (72 Stat. 194, 73 Stat. 173) ----- | 35,000,000 | 43,657,248 | 40,000,000 |
| Appropriation (adjusted): | | | |
| Current ----- | 110,000,000 | 110,000,000 | 110,000,000 |
| Permanent ----- | 35,000,000 | 43,657,248 | 40,000,000 |

¹ Includes capital outlay as follows: June 30, 1959, \$16,724; 1960, \$10,650; 1961, \$10,600.

1. *Food assistance*, in the form of both funds and food, is provided to States and possessions in serving lunches to schoolchildren. Each State's portion of the funds available is determined by a statutory formula which takes into account the number of school-age children in the State and the relationship between the per capita income of the State and the average U.S. per capita income.

The program is operated under an agreement entered into by the State educational agency (which administers the program within the State) and the Department of Agriculture. Schools make application to the State agency and if accepted are reimbursed for a part of the food cost of each meal served.

In 1959 the States contributed to this program \$690 million, most of which came from payments by children. This was far in excess of the \$237 million necessary to meet the statutory matching requirement of \$3 for each Federal dollar of cash payment.

In addition to providing cash assistance, this appropriation is used to purchase food for distribution to the schools according to their need under section 6 of the School Lunch Act. Transfers are made to this appropriation from the fund authorized under section 32 of the act of August 24, 1935, as amended, for the purchase and distribution of agricultural commodities and other foods pursuant to section 6 of the National School Lunch Act. Further, commodities acquired under price support programs and assistance through the special milk program are available to the schools. The volume of surplus commodities distributed to schools, however, is dependent upon market conditions and the need for the Federal Government to remove surpluses.

The program in 1959 during the peak month provided lunches to over 30% of the approximately 39.5 million schoolchildren in the country. The number of types A and B lunches served, which must meet established nutritional requirements, increased approximately 7% over 1958. Participation in the program in December 1958 reached 12.1 million children in 61,033 schools and an appreciable increase in number of participating children is expected in 1960 and 1961.

During 1959 about \$620 million worth of agricultural commodities were used in the program. About 18% of this amount represented commodities contributed under section 6 of the School Lunch Act and the Federal surplus removal and price support programs.

Participation in the program from 1958 through 1961 is as follows:

| | 1958 actual | 1959 preliminary | 1960 estimate | 1961 estimate |
|---|----------------|---------------------|------------------|------------------|
| Number of schools (month of peak participation) ----- | 59,929 | 61,033 | 62,000 | 63,000 |
| Number of schoolchildren (peak-thousands) ----- | 11,493 | 12,124 | 12,800 | 13,500 |
| Number of meals served (millions) ----- | 1,883 | 2,008 | 2,130 | 2,260 |

Financing of the program in the last 3 years was as follows:

| | [In millions] | 1957 | 1958 | 1959 |
|---|---------------|---------|---------|------|
| State and local contributions (total, including payments by children) ----- | \$573.5 | \$634.9 | \$709.4 | |
| Federal appropriation: | | | | |
| (a) Cash payments ----- | 83.8 | 83.7 | 93.9 | |
| (b) Commodity distribution (sec. 6) ----- | 14.7 | 14.8 | 42.7 | |
| Surplus commodity distribution ----- | 132.0 | 76.0 | 66.8 | |
| Special milk program ----- | 60.0 | 65.2 | 72.6 | |
| Federal contributions ----- | 290.5 | 239.7 | 276.0 | |
| Total, all contributions ----- | 864.0 | 874.6 | 985.4 | |

¹ Preliminary.

2. *Operating expenses* consist of furnishing administrative and technical assistance to State agencies and participating schools; apportioning cash to States, Guam, Puerto Rico, and the Virgin Islands; administering directly the program for over 2,500 private schools where the State educational agency is prohibited by law from disbursing funds to such schools; procuring and distributing section 6 commodities; and formulating and administering overall policies and procedures, including audits and administrative reviews.

3. *Relation of costs to obligations*.—The relationship is derived from year-end balances of selected resources and applicable adjustments as reflected in the following table:

| | 1958 actual | 1959 actual | 1960 estimate | 1961 estimate |
|--|----------------|----------------|------------------|------------------|
| Selected resources at end of year: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received) ----- | \$31,929 | \$28,377 | \$12,519 | \$12,519 |
| Selected resources at start of year ----- | -31,929 | -28,377 | -12,519 | |
| Adjustment of prior year costs and selected resources reported at start of year ----- | 82,788 | 15,858 | | |
| Obligations incurred for cost of other years, net ----- | 79,236 | | | |

Object Classification

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|-------------|---------------|---------------|
| AGRICULTURAL MARKETING SERVICE | | | |
| Total number of permanent positions ----- | 163 | 175 | 175 |
| Full-time equivalent of all other positions ----- | | 1 | 1 |
| Average number of all employees ----- | 146 | 167 | 167 |
| Number of employees at end of year ----- | 123 | 161 | 161 |
| Average GS grade and salary ----- | 7.2 | \$5,732 | 7.3 |
| Average salary of ungraded positions ----- | | \$4,260 | \$4,367 |
| 01 Personal services: | | | |
| Permanent positions ----- | | \$951,426 | \$1,090,700 |
| Positions other than permanent ----- | 1,127 | 2,900 | 2,900 |
| Other personal services ----- | 7,923 | 12,600 | 9,400 |
| Total personal services ----- | | 960,476 | 1,106,200 |
| | | | 1,103,000 |

AGRICULTURAL MARKETING SERVICE—Continued

Current authorizations—Continued

SCHOOL LUNCH PROGRAM—Continued

Object Classification—Continued

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|-------------|---------------|---------------|
| AGRICULTURAL MARKETING SERVICE—con. | | | |
| 02 Travel..... | \$113,396 | \$127,800 | \$125,000 |
| 03 Transportation of things..... | 1,446 | 1,600 | 1,500 |
| 04 Communication services..... | 39,701 | 26,100 | 26,000 |
| 05 Rents and utility services..... | 14,394 | 22,200 | 22,000 |
| 06 Printing and reproduction..... | 14,955 | 24,600 | 18,000 |
| 07 Other contractual services..... | 14,343 | 15,000 | 25,500 |
| Services performed by other agencies..... | 43,274 | 37,400 | 37,400 |
| 08 Supplies and materials..... | 11,821 | 9,100 | 10,000 |
| Grants of commodities to States..... | 58,397,248 | 54,740,000 | |
| 09 Equipment..... | 9,384 | 8,400 | 9,000 |
| 11 Grants, subsidies, and contributions..... | 57,450 | 65,100 | 66,000 |
| Cash payments..... | 93,853,219 | 93,600,000 | 93,600,000 |
| 13 Refunds, awards, and indemnities..... | 760 | 600 | 600 |
| 15 Taxes and assessments..... | 873 | 900 | 1,000 |
| Total, Agricultural Marketing Service..... | 95,135,492 | 153,442,248 | 149,785,000 |
| ALLOCATION TO COMMODITY STABILIZATION SERVICE | | | |
| Total number of permanent positions..... | 40 | 45 | 45 |
| Average number of all employees..... | 33 | 40 | 40 |
| Number of employees at end of year..... | 14 | 15 | 15 |
| Average GS grade and salary..... | 6.1 | \$5,338 | 5.9 |
| 01 Personal services: | | | |
| Permanent positions..... | \$173,810 | \$177,025 | \$178,800 |
| Other personal services..... | 668 | 1,475 | 1,200 |
| Total personal services..... | 174,478 | 178,500 | 180,000 |
| 02 Travel..... | 732 | 750 | 1,000 |
| 03 Transportation of things..... | 2,927 | 3,100 | 2,000 |
| 04 Communication services..... | 5,455 | 5,600 | 4,600 |
| 05 Rents and utility services..... | 9,045 | 9,200 | 7,600 |
| 06 Printing and reproduction..... | 1,082 | 1,200 | 1,500 |
| 07 Other contractual services..... | 1,777 | 2,000 | 3,500 |
| 08 Supplies and materials..... | 2,104 | 2,400 | 2,500 |
| Grants of commodities to States..... | 49,080,046 | | |
| 09 Equipment..... | 573 | 710 | 300 |
| 11 Grants, subsidies, and contributions..... | 10,798 | 11,050 | 11,500 |
| 13 Refunds, awards, and indemnities..... | 338 | 350 | 400 |
| 15 Taxes and assessments..... | 133 | 140 | 100 |
| Total, Commodity Stabilization Service..... | 49,289,518 | 215,000 | 215,000 |
| Total obligations..... | 144,425,010 | 153,657,248 | 150,000,000 |

ALLOCATIONS AND ALLOTMENTS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allocations and allotments from other accounts are included in the schedules of the parent appropriations as follows:

"Commodity Credit Corporation fund."

"Mutual security—economic," funds appropriated to the President.

"Salaries and expenses," Office of Civil and Defense Mobilization.

Permanent authorizations:

PERISHABLE AGRICULTURAL COMMODITIES ACT FUND

(Indefinite special fund)

Appropriated (est.) 1960, \$670,000 Estimate 1961, \$670,000

Program and Financing

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|-------------|---------------|---------------|
| Program by activities: | | | |
| 1. Licensing dealers and handling complaints: | | | |
| Direct costs..... | \$679,340 | \$749,300 | \$775,300 |
| Reimbursable costs..... | 25,400 | 25,400 | 25,400 |
| Total program costs ¹ | 704,740 | 774,700 | 800,700 |
| 2. Relation of costs to obligations: Obligations incurred for costs of other years (unpaid undelivered orders), net..... | 532 | | |
| Total program (obligations)..... | 705,272 | 774,700 | 800,700 |

Program and Financing—Continued

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|-------------|---------------|---------------|
| Financing: | | | |
| Unobligated balance brought forward..... | -\$394,627 | -\$388,033 | -\$308,733 |
| Advanced from "Marketing research and service" (7 U.S.C. 499s)..... | -25,400 | -25,400 | -25,400 |
| Unobligated balance carried forward..... | 388,033 | 308,733 | 203,433 |
| Appropriation (new obligational authority)..... | 673,278 | 670,000 | 670,000 |

¹ Includes capital outlay as follows: June 30, 1959, \$1,594; 1960, \$1,900; 1961, \$2,200.

1. License fees are deposited in this special fund and are used to meet costs of administering the Perishable Agricultural Commodities, Produce Agency, and Export Apple and Pear Acts (7 U.S.C. 491-497, 499a-499s, 581-589).

These acts are aimed at assuring equitable treatment to farmers and others in the marketing of fresh and frozen fruits and vegetables. Commission merchants, dealers, and brokers handling these products in interstate and foreign commerce are licensed. Complaints of violations are investigated and violations dealt with by (a) informal settlements agreeable to both parties, (b) formal decisions involving payments of reparation awards between parties, and (c) suspension or revocation of license and/or publication of the facts. Approximately 25,000 licenses were in effect on June 30, 1959, and it is expected that licenses will remain at that level through 1961. Formal complaints have continued to increase and more than 2,500 are expected during the next fiscal year. Emphasis being directed to assist growers and shippers to correct or prevent misbranding of produce will tend to hold down the number of potential complaints. The increase in level of work in 1961 is primarily to strengthen the enforcement program including training of technical employees to replace employees now eligible for retirement.

2. *Relation of costs to obligations.*—The year-end balances of unpaid, undelivered orders are as follows: 1958, \$550; 1959, \$1,082; 1960, \$1,082; 1961, \$1,082.

Object Classification

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|-------------|---------------|---------------|
| Object Classification | | | |
| Total number of permanent positions..... | 122 | 121 | 127 |
| Full-time equivalent of all other positions..... | 3 | 3 | 3 |
| Average number of all employees..... | 98 | 110 | 114 |
| Number of employees at end of year..... | 105 | 117 | 123 |
| Average GS grade and salary..... | 7.2 | \$5,732 | 7.3 |
| Average salary of ungraded positions..... | | \$4,260 | \$4,367 |
| Direct obligations: | | | |
| 01 Personal services: | | | |
| Permanent positions..... | \$557,617 | \$613,482 | \$636,362 |
| Positions other than permanent..... | 11,499 | 10,276 | 10,276 |
| Other personal services..... | 2,433 | 4,412 | 2,532 |
| Total personal services..... | 571,549 | 628,170 | 649,170 |
| 02 Travel..... | 44,126 | 48,900 | 48,900 |
| 03 Transportation of things..... | 75 | 1,000 | 500 |
| 04 Communication services..... | 19,714 | 21,900 | 21,500 |
| 05 Rents and utility services..... | 3,797 | 3,800 | 3,800 |
| 06 Printing and reproduction..... | 9,986 | 11,300 | 11,200 |
| 07 Other contractual services..... | 10,402 | 10,800 | 17,535 |
| 08 Supplies and materials..... | 7,316 | 6,900 | 6,000 |
| 09 Equipment..... | 1,829 | 2,200 | 1,000 |
| 11 Grants, subsidies, and contributions..... | 10,771 | 13,950 | 15,315 |
| 15 Taxes and assessments..... | 307 | 380 | 380 |
| Total direct obligations..... | 679,872 | 749,300 | 775,300 |
| Reimbursable obligations: | | | |
| 11 Grants, subsidies, and contributions..... | 25,400 | 25,400 | 25,400 |
| Total obligations..... | 705,272 | 774,700 | 800,700 |

REMOVAL OF SURPLUS AGRICULTURAL COMMODITIES

(Indefinite)

Appropriated (est.) 1960, \$251,446,365

Estimate 1961, \$318,000,000

Appropriated (adjusted) 1960, \$200,302,475

Estimate (adjusted) 1961, \$270,661,000

Program and Financing

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|---------------|---------------|---------------|
| Program by activities: | | | |
| 1. Commodity program payments: | | | |
| (a) Direct purchases----- | \$125,568,387 | \$105,503,400 | \$105,503,400 |
| (b) Diversion payments----- | 7,860,384 | | |
| 2. Surplus removal operating expenses----- | 2,372,871 | 2,646,600 | 2,646,600 |
| 3 Marketing agreements and orders----- | 1,762,470 | 1,850,000 | 1,850,000 |
| Total program costs ¹ ----- | 137,564,112 | 110,000,000 | 110,000,000 |
| 4. Relation of costs to obligations: Costs financed from obligations of other years, net (-)----- | -16,139,858 | | |
| Total program (obligations)----- | 121,424,254 | 110,000,000 | 110,000,000 |
| Financing: | | | |
| Comparative transfers to other accounts. | | | |
| Unobligated balance brought forward----- | 2,420,534 | | |
| Recovery of prior year obligations----- | -300,000,000 | -300,000,000 | -300,000,000 |
| Unobligated balance carried forward----- | 531,594 | | |
| Unobligated balance no longer available----- | 300,000,000 | 300,000,000 | 300,000,000 |
| New obligational authority----- | 72,837,054 | 90,302,475 | 160,661,000 |
| New obligational authority----- | 196,150,248 | 200,302,475 | 270,661,000 |

¹ Includes capital outlay as follows: June 30, 1959, \$38,073; 1960, \$30,000; 1961, \$50,000.

Under section 32 of the act of August 24, 1935, as amended (7 U.S.C. 612c), an amount equal to 30% of customs receipts during each calendar year (except for an amount equal to 30% of such receipts collected on fishery products transferred to the Department of the Interior to encourage the distribution of fishery products), and unused balances up to \$300 million are available for expanding domestic and foreign market outlets for farm commodities. Transfers are made from this fund to the school lunch program for the purchase and distribution of agricultural commodities and other foods pursuant to section 6 of the National School Lunch Act. These funds are also authorized for the administration of marketing agreements and orders, and the section 22 import-control programs. The basic legislation provides that funds devoted to any one commodity or product thereof must not exceed 25% of funds available. It also provides that the funds must be devoted principally to perishable agricultural commodities other than those receiving price support under title II of the Agricultural Act of 1949, as amended. It has been determined that this provision can be legally satisfied by setting aside or reserving the principal portion of section 32 funds for the use of perishable nonbasic agricultural commodities when the occasion arises warranting their use for such purpose.

1. *Commodity program payments* include direct purchases which are donated to the school lunch program, charitable institutions serving needy persons, and persons

certified by welfare agencies as eligible for relief; diversion payments which enable processors to purchase surplus commodities on the domestic market, divert them to by-products and new uses, and sell them at prices comparable to competing products, thus creating new markets for surplus commodities; and export payments which enable exporters to purchase surplus commodities on the domestic market and sell them on the world market at competitive world prices (no funds were obligated for export programs in 1959). During the past 2 years assistance under these programs was given to the following commodity groups:

| | [In millions] | 1958 | 1959 |
|-----------------------|---------------|---------|---------|
| Dairy products----- | \$121.7 | \$101.2 | \$101.2 |
| Eggs and poultry----- | .1 | .1 | 6.4 |
| Fruits----- | 1.1 | 1.1 | .1 |
| Peanut butter----- | .9 | 1.1 | 1.1 |
| Vegetables----- | 2.4 | 7.6 | .9 |
| Miscellaneous----- | -.1 | | |
| Total----- | | 126.1 | 117.3 |

The use of section 32 program funds is contingent upon economic conditions. The estimates for both 1960 and 1961 reflect in total the requirements based on the situation as now foreseen. Distribution of this total in advance would be highly tentative since the type of program to be used is dependent upon a determination at the time of the kind of action which will best meet the particular need which had developed. If troublesome surpluses not now foreseen should develop, steps would be taken to use additional available funds for their removal or diversion as conditions might warrant.

2. *Surplus removal operating expenses*.—These expenses are mainly in connection with purchasing, exporting, and diverting surplus commodities and in distributing section 32 and Commodity Credit Corporation commodities to eligible outlets. Distribution in 1959, including that under section 6 of the National School Lunch Act, is summarized below:

| Distribution | Number of recipients (peak month) (millions) | Value of commodities distributed (millions) | Pounds of commodities distributed (millions) |
|--|--|---|--|
| By recipients: | | | |
| School children----- | 14.1 | \$109.5 | 453.5 |
| Needy persons----- | 5.7 | 107.0 | 706.8 |
| Persons in charitable institutions----- | 1.4 | 29.8 | 156.0 |
| Foreign countries: 91----- | | 209.8 | 1,867.2 |
| Total----- | | 456.1 | 3,183.5 |
| By program: | | | |
| Sec. 32----- | | 118.1 | 317.1 |
| Donation by Commodity Credit Corporation under sec. 416----- | | 295.3 | 2,662.6 |
| Sec. 6, National School Lunch Act----- | | 42.7 | 203.8 |
| Total----- | | 456.1 | 3,183.5 |

Supervisory assistance is furnished local and State groups to encourage the preservation of surpluses for year-round use. In cooperation with the food trade, press and radio, greater consumption of abundant foods is encouraged. In 1959, the monthly plentiful foods list contained an average of 10 foods, and 10 national and 18 area, State, and local drives were conducted.

3. *Marketing agreements and orders*.—These are put into effect upon request of producers or handlers after hearings and investigations, and approval by producers (and handlers in case of marketing agreements). They help to stabilize prices and benefit producers and consumers by establishing and maintaining orderly marketing conditions. Administration at the local level is financed by assessments upon handlers. On June 30, 1959, there were 78 orders in effect for milk and 37 covering tree fruits, tree nuts, and vegetables.

AGRICULTURAL MARKETING SERVICE—Continued**Permanent authorizations—Continued****REMOVAL OF SURPLUS AGRICULTURAL COMMODITIES—Continued**

(Indefinite)—Continued

4. Relation of costs to obligations.—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

| | 1958 actual | 1959 actual | 1960 estimate | 1961 estimate |
|---|----------------|----------------|------------------|------------------|
| Selected resources at end of year: | | | | |
| Inventories and items on order: | | | | |
| Stores (goods unconsumed by projects) | \$1,535,699 | | | |
| Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received) | \$23,738,918 | 5,550,525 | \$7,086,224 | \$7,086,224 |
| Total selected resources at end of year | 23,738,918 | 7,086,224 | 7,086,224 | 7,086,224 |
| Selected resources at start of year (—) | 23,738,918 | 7,086,224 | 7,086,224 | 7,086,224 |
| Adjustment of prior year costs and selected resources reported at start of year | 512,836 | | | |
| Costs financed from obligations of other years, net (—) | —16,139,858 | | | |

Object Classification

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|-------------|---------------|---------------|
| AGRICULTURAL MARKETING SERVICE | | | |
| Total number of permanent positions | 522 | 495 | 495 |
| Full-time equivalent of all other positions | 3 | 3 | 3 |
| Average number of all employees | 435 | 454 | 454 |
| Number of employees at end of year | 466 | 464 | 464 |
| Average GS grade and salary | 7.2 | \$5,732 | 7.3 |
| Average salary of ungraded positions | | \$4,260 | \$4,367 |
| 01 Personal services: | | | |
| Permanent positions | \$2,918,222 | \$3,061,400 | \$3,061,400 |
| Positions other than permanent | 6,316 | 10,400 | 10,400 |
| Other personal services | 16,499 | 28,200 | 16,200 |
| Total personal services | 2,941,037 | 3,100,000 | 3,088,000 |
| 02 Travel | 247,872 | 270,000 | 280,000 |
| 03 Transportation of things | 3,769 | 8,500 | 8,500 |
| 04 Communication services | 82,626 | 88,500 | 88,500 |
| 05 Rents and utility services | 32,631 | 36,800 | 36,800 |
| 06 Printing and reproduction | 45,559 | 66,600 | 73,600 |
| 07 Other contractual services | 49,857 | 68,000 | 88,000 |
| Services performed by other agencies | 9,610 | 7,000 | 7,000 |
| 08 Supplies and materials | 31,793 | 41,000 | 46,000 |
| Grants of commodities to States | | 51,703,400 | 99,003,400 |
| 09 Equipment | 31,101 | 28,000 | 36,000 |
| 11 Grants, subsidies, and contributions | 186,025 | 196,000 | 196,000 |
| Commodity program payments | 889,126 | 1,500,000 | 1,500,000 |
| 13 Refunds, awards, and indemnities | 2,483 | 3,600 | 3,600 |
| 15 Taxes and assessments | 1,559 | 1,600 | 1,600 |
| Total, Agricultural Marketing Service | 4,555,048 | 57,117,000 | 104,457,000 |

| | 1958 actual | 1959 actual | 1960 estimate | 1961 estimate |
|---|----------------|----------------|------------------|------------------|
| Allocation to Commodity Stabilization Service | | | | |
| Total number of permanent positions | 76 | 93 | 86 | |
| Average number of all employees | 59 | 75 | 68 | |
| Number of employees at end of year | 45 | 55 | 54 | |

| | 1958 actual | 1959 actual | 1960 estimate | 1961 estimate |
|---|----------------|----------------|------------------|------------------|
| Average GS grade and salary | 6.1 | \$5,338 | 5.9 | \$5,315 |
| 01 Personal services: | | | | |
| Permanent positions | \$322,058 | \$391,500 | \$358,500 | |
| Other personal services | 1,411 | 3,000 | 1,400 | |
| Total personal services | 323,469 | 394,500 | 359,900 | |
| 02 Travel | 6,270 | 7,650 | 7,150 | |
| 03 Transportation of things | 5,607 | 5,850 | 5,750 | |
| 04 Communication services | 10,273 | 17,150 | 12,150 | |
| 05 Rents and utility services | 37,270 | 38,350 | 36,150 | |
| 06 Printing and reproduction | 4,977 | 5,200 | 4,900 | |
| 07 Other contractual services | 3,018 | 4,700 | 8,400 | |
| Advanced to— | | | | |
| "Administrative expenses, sec. 392," Agricultural Adjustment Act of 1938" (7 U.S.C. 1392) | | | | |
| "Local administration, sec. 388, Agricultural Adjustment Act of 1938" (7 U.S.C. 1388) | 35,450 | 35,450 | 35,450 | |
| 08 Supplies and materials | 20,000 | 43,000 | 43,000 | |
| Grants of commodities to States | 3,336 | 4,200 | 3,800 | |
| 09 Equipment | 108,927,240 | 35,300,000 | 5,000,000 | |
| 11 Grants, subsidies, and contributions | 1,068 | 1,650 | 1,600 | |
| Commodity program payments | 20,361 | 23,150 | 22,750 | |
| 13 Refunds, awards, and indemnities | 7,470,001 | 17,000,000 | 1,900 | |
| 15 Taxes and assessments | 784 | 2,000 | 1,900 | |
| Total, Commodity Stabilization Service | 116,869,206 | 52,883,000 | 5,543,000 | |
| Total obligations | 121,424,254 | 110,000,000 | 110,000,000 | |

Intragovernmental funds:**ADVANCES AND REIMBURSEMENTS****Program and Financing**

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|-------------|---------------|---------------|
| Program by activities: | | | |
| 1. Statistical and tabulating services: | | | |
| Department of Agriculture | \$80,671 | \$85,100 | \$81,000 |
| Other Federal agencies | 3,739 | 35,800 | 25,800 |
| 2. Market news service: | | | |
| Department of Agriculture | 665 | 846 | 854 |
| State agencies under cooperative agreement | 197,804 | 195,546 | 196,768 |
| 3. Inspection, grading, classing, and standardization: | | | |
| Department of Agriculture | 277,296 | 64,998 | 65,433 |
| Other Federal agencies | 23,309 | 23,875 | 26,225 |
| 4. Administration of special milk program | 1,427,329 | 1,496,560 | 1,598,835 |
| 5. Wool marketing agreements | 614,607 | 658,100 | 658,100 |
| 6. Storage research on Commodity Credit Corporation owned grains | 6,380 | 9,300 | 9,300 |
| 7. Other services relating to programs administered by Commodity Stabilization Service | 126,141 | 110,100 | 110,100 |
| 8. Miscellaneous services to other accounts | 113,709 | 115,700 | 115,700 |
| 9. Prior year advances returned | 32,871 | 33,385 | 21,200 |
| Total program costs ¹ | 2,937,515 | 2,829,310 | 2,909,315 |
| 10. Relation of costs to obligations: | | | |
| Costs financed from obligations of other years, net (—) | —25,457 | | |
| Total program (obligations) | 2,912,058 | 2,829,310 | 2,909,315 |
| Financing: | | | |
| Unobligated balance brought forward | 22,045 | 17,355 | |
| Advances and reimbursements from— | | | |
| Other accounts | 1,284,841 | 1,110,049 | 1,103,912 |
| Non-Federal sources | 1,622,527 | 1,701,906 | 1,805,403 |
| Unobligated balance carried forward | —17,355 | | |
| Total financing | 2,912,058 | 2,829,310 | 2,909,315 |

¹ Includes capital outlay as follows: June 30, 1959, \$13,313; 1960, \$13,173; 1961, \$15,300.

NOTE.—Reimbursements from non-Federal sources above include amounts from cooperating universities and State, county, local, or private agricultural agencies (5 U.S.C. 563, 564); from States, municipalities, persons, or licensed tobacco inspectors for services rendered (7 U.S.C. 511e); from sale of photographic slides (7 U.S.C. 1387) and personal property (40 U.S.C. 481(e)); for overtime and holiday work performed at poultry processing plants and in connection with appeals inspections on grain (21 U.S.C. 468; 7 U.S.C. 78); from refund of terminal leave payments (5 U.S.C. 61b); from jury fees (5 U.S.C. 30); and from importers in connection with reconditioning seed (7 U.S.C. 1582(a)). 1959 amounts exclude \$130,390 of unfilled orders from other accounts at end of year which will become reimbursements of a subsequent year.

10. Relation of costs to obligations.—The relationship is derived from year-end balances and applicable adjustment as reflected in the following table:

| | 1958 actual | 1959 actual | 1960 estimate | 1961 estimate |
|--|----------------|----------------|------------------|------------------|
| Selected resources at end of year: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received) | | | | |
| | \$7,025 | \$4,826 | \$4,826 | \$4,826 |
| Selected resources at start of year (—) | | | | |
| | —7,025 | —4,826 | —4,826 | —4,826 |
| Adjustment of prior year costs and selected resources reported at start of year | | | | |
| | —23,258 | | | |
| Costs financed from obligations of other years, net (—) | | | | |
| | —25,457 | | | |
| Object Classification | | | | |
| | | | | |
| | 1959 actual | 1960 estimate | 1961 estimate | |
| Total number of permanent positions | 287 | 251 | 251 | |
| Full-time equivalent of all other positions | 25 | 5 | 5 | |
| Average number of all employees | 278 | 233 | 230 | |
| Number of employees at end of year | 373 | 183 | 183 | |
| Average GS grade and salary | 7.2 | \$5,732 | 7.3 | \$5,748 |
| Average salary of ungraded positions | | \$4,260 | \$4,367 | \$4,392 |
| 01 Personal services: | | | | |
| Permanent positions | \$1,556,065 | \$1,380,425 | \$1,361,845 | |
| Positions other than permanent | 84,779 | 34,692 | 34,907 | |
| Other personal services | 796,386 | 1,024,112 | 1,121,490 | |
| Total personal services | 2,437,230 | 2,439,229 | 2,518,242 | |
| 02 Travel | 130,894 | 111,970 | 105,070 | |
| 03 Transportation of things | 12,453 | 3,165 | 2,665 | |
| 04 Communication services | 92,406 | 83,534 | 83,034 | |
| 05 Rents and utility services | 31,280 | 24,264 | 24,264 | |
| 06 Printing and reproduction | 8,438 | 11,185 | 11,025 | |
| 07 Other contractual services | 19,902 | 25,707 | 39,482 | |
| Services performed by other agencies | 14,882 | 762 | 762 | |
| 08 Supplies and materials | 30,373 | 35,383 | 33,883 | |
| 11 Grants, subsidies, and contributions | 81,849 | 75,745 | 73,395 | |
| 13 Refunds, awards, and indemnities | 33,530 | 609 | 609 | |
| 15 Taxes and assessments | 2,291 | 1,239 | 1,239 | |
| Total obligations | 2,912,058 | 2,829,310 | 2,909,315 | |

FOREIGN AGRICULTURAL SERVICE

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses for the Foreign Agricultural Service, including carrying out title VI of the Agricultural Act of 1954 (7 U.S.C. 1761-1768), and for enabling the Secretary to coordinate and integrate activities of the Department in connection with foreign agricultural work, including not to exceed \$25,000 for representation allowances and for expenses pursuant to section 8 of the Act approved August 3, 1956 (7 U.S.C. 1766), [§3,518,300] §4,637,300: *Provided*, That not less than \$400,000 of the funds contained in this appropriation shall be available to obtain statistics and related facts on foreign production and full and complete information on methods used by other countries to move farm commodities in world trade on a competitive basis: *Provided further*, That, in addition, not to exceed [§2,493,000] §2,539,000 of the funds appropriated by section 32 of the Act of August 24, 1935, as amended (7 U.S.C. 612c), shall be merged with this appropriation and shall be available for all expenses of the Foreign Agricultural Service in carrying out the purposes of said section 32: *Provided further*, That, in addition, not to exceed the equivalent of \$1,310,000 in foreign currencies derived from sales under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended, and made available to the Department of Agriculture, shall be available for expenses of the agricultural attaché service and for general operating expenses of the Foreign Agricultural Service in carrying out the purposes of section 104(a) of that Act. (5 U.S.C. 511-512; 73 Stat. 606-607; Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.)

| | |
|-------------------------------|-------------------------------|
| Appropriated 1960: | Estimate 1961: |
| Current, \$3,518,300 | Current, \$4,637,300 |
| Permanent (adj.), \$2,493,000 | Permanent (adj.), \$2,539,000 |

Program and Financing

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|-------------|---------------|---------------|
| Program by activities: | | | |
| 1. Analysis of foreign agriculture and trade----- | \$1,201,504 | \$1,266,200 | \$1,315,000 |
| 2. Agricultural attachés----- | 2,831,686 | 2,252,100 | 3,322,300 |
| 3. Foreign market promotion----- | 2,139,369 | 2,248,000 | 2,293,000 |
| 4. Import controls----- | 237,708 | 245,000 | 246,000 |
| Total program costs ¹ ----- | 6,410,267 | 6,011,300 | 7,176,300 |
| 5. Relation of costs to obligations: Obligations incurred for costs of other years, net----- | 91,281 | ----- | ----- |
| Total program (obligations)----- | 6,501,548 | 6,011,300 | 7,176,300 |
| Financing: | | | |
| Comparative transfer from "Removal of surplus agricultural commodities"----- | -2,420,534 | ----- | ----- |
| Unobligated balance no longer available----- | 153,306 | ----- | ----- |
| New obligational authority----- | 4,234,320 | 6,011,300 | 7,176,300 |
| New obligational authority: | | | |
| Appropriation----- | \$4,002,300 | \$3,518,300 | \$4,637,300 |
| Transferred from----- | | | |
| "Removal of surplus agricultural commodities" (73 Stat. 606-607 and 1961 appropriation act)----- | 232,020 | 2,493,000 | 2,539,000 |
| Appropriation (adjusted): | | | |
| Current----- | 4,234,320 | 3,518,300 | 4,637,300 |
| Permanent----- | ----- | 2,493,000 | 2,539,000 |

¹ Includes capital outlay as follows: June 30, 1959, \$102,689; 1960, \$91,000; 1961, \$85,000.

The Foreign Agricultural Service administers programs and policies relating to foreign agriculture. It provides information and assistance as guides in the planning of production and marketing of U. S. agricultural commodities and helps smooth the channels through which exports move.

Direct appropriation—1. *Analysis of foreign agriculture and trade*.—Analyses are made of world trends in foreign

agricultural production, trade, price, finance, marketing, consumption, competition, commercial, and trade policies, and economic policies of foreign governments, as such trends affect U.S. foreign agricultural trade and the domestic economy. The Service directs and coordinates Department participation in the formulation of trade programs and agreements to stabilize and expand world trade in American agricultural products, and to reduce restrictive tariff and trade practices against import of American agricultural commodities. Recommendations for the departmental positions on trade agreements and international commodity agreements are formulated. Continuous review is made of the trade regulations and financial conditions of signatories to the General Agreement on Tariffs and Trade in American farm products. Policies, programs, positions, and standards of participation in public and private international organizations are developed.

2. *Agricultural attachés*.—A worldwide agricultural attaché program is conducted by the Department. Assistance is provided in development of markets abroad for U.S. agricultural commodities. A comprehensive schedule of foreign agricultural market and trade reporting to meet the needs of the American agricultural industry is maintained.

3. *Foreign market promotion*.—Maintenance and expansion of foreign markets for surplus agricultural products are promoted by (a) obtaining and analyzing information on foreign-market requirements and making such information available to farm and trade groups; (b) developing market programs for use by producers, exporters, and Government officials to maintain and expand the market abroad of U.S. farm products; (c) assisting domestic trade representatives in negotiations with foreign government officials, importers, and consumers, and bringing together American exporters and foreign importers under conditions favorable to trade; (d) developing agreements with foreign countries for sales of U.S. agricultural commodities under title I of Public Law 480, and followup on the shipments of those commodities; and (e) directing the operation of market development projects to further expand foreign markets for agricultural products with foreign currencies generated under title I of Public Law 480.

4. *Import controls*.—Importation of articles which interfere with programs carried out by the Department of Agriculture is investigated and the information is developed in accordance with section 22 of the Agricultural Adjustment Act, as amended. During 1959, investigations were conducted on 14 commodities and 3 recommendations were submitted to the President or the Tariff Commission. Under import controls for dairy products, a total of 1,792 licenses for imports of cheese were issued and 188 for manufactured dairy products other than cheese.

5. *Relation of costs to obligations*.—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

| | 1958 actual | 1959 actual | 1960 estimate | 1961 estimate |
|---|----------------|----------------|------------------|------------------|
| Selected resources at end of year: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)----- | \$50,338 | \$69,289 | \$69,289 | \$69,289 |
| Selected resources at start of year (-)----- | -50,338 | -69,289 | -69,289 | -69,289 |
| Adjustment of selected resources reported at start of year----- | 72,330 | ----- | ----- | ----- |
| Obligations incurred for costs of other years, net----- | 91,281 | ----- | ----- | ----- |

FOREIGN AGRICULTURAL SERVICE—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

Object Classification

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|-------------|---------------|---------------|
| Total number of permanent positions..... | 652 | 651 | 708 |
| Full-time equivalent of all other positions..... | 12 | 12 | 15 |
| Average number of all employees..... | 609 | 636 | 691 |
| Number of employees at end of year..... | 665 | 641 | 699 |
| Average GS grade and salary..... | 9.2 | \$7,642 | 9.2 |
| Average salary of ungraded positions..... | | \$2,746 | \$2,681 |
| 01 Personal services: | | | |
| Permanent positions..... | \$4,368,485 | \$4,563,900 | \$4,787,800 |
| Positions other than permanent..... | 48,999 | 49,000 | 51,400 |
| Other personal services..... | 164,585 | 177,100 | 270,800 |
| 02 Travel..... | 4,582,069 | 4,790,000 | 5,110,000 |
| 03 Transportation of things..... | 383,587 | 296,000 | 446,000 |
| 04 Communication services..... | 149,968 | 141,100 | 170,000 |
| 05 Rents and utility services..... | 72,086 | 71,400 | 72,000 |
| 06 Printing and reproduction..... | 45,783 | 49,000 | 80,000 |
| 07 Other contractual services: | | | |
| Services performed by other agencies..... | 114,305 | 114,000 | 117,000 |
| 08 Supplies and materials..... | 51,505 | 62,700 | 103,000 |
| 09 Equipment..... | 667,959 | 71,000 | 632,000 |
| 11 Grants, subsidies, and contributions..... | 38,362 | 29,800 | 36,000 |
| 13 Refunds, awards, and indemnities..... | 106,222 | 78,000 | 91,000 |
| 15 Taxes and assessments..... | 278,187 | 299,000 | 310,000 |
| Total obligations..... | 10,034 | 8,000 | 8,000 |
| | 1,481 | 1,300 | 1,300 |
| Total obligations..... | 6,501,548 | 6,011,300 | 7,176,300 |

SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY PROGRAM)

For purchase of foreign currencies which accrue under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704), for the purposes of market development activities under section 104(a) of that Act, \$13,621,800, and for the purposes of section 104(m) of that Act, relating to agricultural and horticultural fair participation and related activities, \$1,000,000, to remain available until expended, of which amounts not less than \$4,400,000 shall be available to purchase currencies which the Treasury Department shall determine to be excess to normal requirements of the United States: Provided, That this appropriation shall not be used for the purchase of currencies available in the Treasury for the purposes of section 104(f) of such Act unless such currencies are excess to the normal requirements of the United States: Provided further, That the dollar value of the unexpended balances, as of June 30, 1960, of allocations of foreign currencies heretofore made available to the Foreign Agricultural Service for the foregoing purposes of such sections 104 (a) and (m) is appropriated as of that date and shall be merged with this appropriation.

Appropriated (est.) 1960, \$9,309,093 Estimate 1961, \$14,621,800

Program and Financing

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|-------------|---------------|---------------|
| Program by activities: | | | |
| 1. Market development projects..... | \$5,445,700 | \$6,263,609 | \$10,830,800 |
| 2. Agricultural attachés..... | 192,839 | 950,000 | ----- |
| 3. Agricultural and horticultural exhibitions..... | | 1,275,000 | 1,000,000 |
| 4. Travel of U.S. agricultural specialists abroad..... | 54,236 | 65,764 | ----- |
| Total program costs..... | 5,692,775 | 8,554,373 | 11,830,800 |
| 5. Relation of costs to obligations: | | | |
| Costs financed from obligations of other years, net (-)..... | -790,809 | ----- | ----- |
| Obligations incurred for costs of other years, net..... | | 4,109,406 | 2,791,000 |
| Total program (obligations)..... | 4,901,966 | 12,663,779 | 14,621,800 |
| Financing: | | | |
| Unobligated balance brought forward..... | -6,441,148 | -6,905,245 | ----- |
| Recovery of prior year obligations..... | -25,307 | ----- | ----- |
| Adjustment due to changes in exchange rates to permit conversion to dollar equivalents..... | 313,073 | ----- | ----- |
| Unobligated balance carried forward..... | 6,905,245 | 84,844 | ----- |
| Authorization to expend foreign currency receipts (net of proposed appropriation to cover balances as of June 30, 1960)..... | -5,653,829 | 3,465,715 | ----- |
| New obligational authority..... | | 9,309,093 | 14,621,800 |

Program and Financing—Continued

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|-------------|---------------|---------------|
| New obligational authority: | | | |
| Indefinite (proposed in appropriation language above)..... | | \$9,309,093 | \$14,621,800 |
| Definite..... | | | |
| Appropriation..... | | 9,309,093 | 14,621,800 |

NOTE.—The gross foreign currency authorization in 1960 is \$5,843,378. The schedule above covers foreign currency authorizations for 1959 and 1960. The appropriation recommended for 1960 is equal to the unexpended balance of previous foreign currency authorizations as of June 30, 1960. All transactions in 1961 relate to appropriations.

1. *Market development projects.*—Foreign currencies, generated by the sale of surplus agricultural commodities under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended, are used by the Department under the provisions of section 104(a) by the Foreign Agricultural Service to develop new foreign markets and expand existing markets for U.S. agricultural commodities, including cotton, dairy products, fats and oils, grain, feed, livestock and meat, poultry, fruits and vegetables, and tobacco. The type of market development projects being carried out include sales promotion campaigns, trade fairs and exhibits, nutrition demonstrations, and market analyses. At June 30, 1959, there were 336 market development projects operating in 37 countries with the assistance of both United States and foreign cooperators. Total estimated cost in U.S. dollars (charged to regular appropriation) of the initiation and supervision of market development projects in 1961, \$254,000.

2. *Agricultural attachés.*—Foreign currencies were used in 1959 and are being used in 1960 where practicable to pay certain costs of the agricultural attachés.

3. *Agricultural and horticultural exhibitions.*—Foreign currencies are used to finance U.S. participation in foreign agricultural and horticultural fairs and related activities pursuant to section 104(m) of the Agricultural Trade Development and Assistance Act of 1954, as amended.

4. *Travel of U.S. agricultural specialists abroad.*—Foreign currencies are being used in 1959 and 1960, pursuant to section 104(f) of the Agricultural Trade Development and Assistance Act of 1954, as amended, to finance the travel of U.S. agricultural specialists to the U.S.S.R. under the cultural, technical, and educational exchange agreement between the two countries.

5. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

| | 1958 actual | 1959 actual | 1960 estimate | 1961 estimate |
|--|----------------|----------------|------------------|------------------|
| Selected resources at end of year: | | | | |
| Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)..... | \$3,585,976 | \$2,778,518 | \$6,480,000 | \$8,992,000 |
| Advances (payment for goods and services on order not yet received)..... | 320,734 | 312,076 | 720,000 | 999,000 |
| Total selected resources at end of year..... | 3,906,710 | 3,090,594 | 7,200,000 | 9,991,000 |
| Selected resources at start of year (-)..... | -3,906,710 | -3,090,594 | -7,200,000 | - |
| Adjustment of selected resources reported at start of year..... | | 25,307 | ----- | ----- |
| Costs financed from obligations of other years, net (-)..... | -790,809 | ----- | ----- | ----- |
| Obligations incurred for costs of other years, net..... | | 4,109,406 | 2,791,000 | ----- |

Object Classification

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|-------------|---------------|---------------|
| FOREIGN AGRICULTURAL SERVICE | | | |
| Total number of permanent positions..... | 76 | 75 | 33 |
| Full-time equivalent of all other positions..... | 3 | 3 | 0 |
| Average number of employees..... | 69 | 74 | 31 |
| Number of employees at end of year..... | 76 | 76 | 33 |
| Average salary of ungraded positions..... | \$2,266 | \$2,370 | \$2,115 |

Object Classification—Continued

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|-------------|---------------|---------------|
| FOREIGN AGRICULTURAL SERVICE—CON. | | | |
| 01 Personal services: | | | |
| Permanent positions | \$128,727 | \$177,400 | \$74,000 |
| Positions other than permanent | 2,440 | 3,000 | |
| Other personal services | 52,164 | 98,600 | 4,000 |
| Total personal services | 183,331 | 279,000 | 78,000 |
| 02 Travel | 305,988 | 702,064 | 600,000 |
| 03 Transportation of things | 12,036 | 49,000 | 35,000 |
| 04 Communication services | 7,117 | 7,700 | 8,000 |
| 05 Rents and utility services | 30,437 | 55,000 | 27,000 |
| 06 Printing and reproduction | 9,096 | 33,100 | 35,000 |
| 07 Other contractual services | 3,312,521 | 8,767,434 | 12,477,800 |
| Services performed by other agencies | 147,528 | 720,000 | 175,000 |
| 08 Supplies and materials | 10,473 | 13,200 | 12,000 |
| 09 Equipment | 3,690 | 15,000 | 15,000 |
| 11 Grants, subsidies, and contributions | 2,746 | 7,000 | 3,000 |
| 13 Refunds, awards, and indemnities | 12 | 81 | |
| 15 Taxes and assessments | 105 | 200 | |
| Total, Foreign Agricultural Service | 4,025,080 | 10,648,779 | 13,465,800 |
| ALLOCATION TO DEPARTMENT OF COMMERCE | | | |
| 02 Travel | 25,553 | 60,000 | 34,000 |
| 03 Transportation of things | 66,209 | 140,000 | 87,000 |
| 04 Communication services | 7,711 | 20,000 | 10,000 |
| 05 Rents and utility services | 180,434 | 423,000 | 239,000 |
| 06 Printing and reproduction | 11,694 | 20,000 | 15,000 |
| 07 Other contractual services | 558,391 | 1,290,000 | 735,500 |
| 08 Supplies and materials | 25,806 | 60,000 | 34,000 |
| 09 Equipment | 913 | 1,500 | 1,000 |
| 13 Refunds, awards, and indemnities | 175 | 500 | 500 |
| Total, Department of Commerce | 876,886 | 2,015,000 | 1,156,000 |
| Total obligations | 4,901,966 | 12,663,779 | 14,621,800 |

Analysis of Expenditures

| | | | |
|--|-------------|-------------|--|
| Obligated balance, start of year | \$6,409,622 | \$6,645,314 | |
| Obligations incurred during year | 4,901,966 | 12,663,779 | |
| Recovery of prior year obligations | -25,307 | | |
| Obligated balance, end of year | -6,645,314 | | |
| Obligated balance, end of year, transferred to appropriation | | -9,309,093 | |
| Expenditures | 4,640,967 | 10,000,000 | |

Status of Unfunded Allocations

| | | | |
|--|-------------|-------------|--|
| Unfunded balance, start of year | \$7,543,180 | \$3,284,608 | |
| Allocations | 5,653,829 | 5,843,378 | |
| Unfunded balance expiring or lapsing | | -84,844 | |
| Adjustment due to changes in exchange rates to permit conversion to dollar equivalents | -313,073 | | |
| Unfunded balance, end of year | -3,284,608 | | |
| Transfers into agency account | 9,599,328 | 9,043,142 | |

ALLOCATIONS AND ALLOTMENTS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allocations and allotments from other accounts are included in the schedules of the parent appropriations as follows:

"Mutual security—economic," funds appropriated to the President.

"President's special international program," funds appropriated to the President.

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|-------------|---------------|---------------|
| Program by activities: | | | |
| 1. Commodity Credit Corporation representatives for sales, barter, and stockpiling | \$74,524 | \$47,700 | \$48,000 |
| 2. Miscellaneous services to other accounts | 181,602 | 158,300 | 161,550 |
| Total program (costs—obligations) | 256,126 | 206,000 | 209,550 |
| Financing: | | | |
| Advances and reimbursements from other accounts | 256,126 | 206,000 | 209,550 |

Object Classification

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|-------------|---------------|---------------|
| Total number of permanent positions | 26 | 24 | 24 |
| Full-time equivalent of all other positions | 1 | 1 | 1 |
| Average number of all employees | 27 | 24 | 24 |
| Number of employees at end of year | 26 | 24 | 24 |
| Average GS grade and salary | 9.7 | \$7,771 | 9.3 |
| Average salary of ungraded positions | | \$2,325 | |
| 01 Personal services: | | | |
| Permanent positions | \$189,513 | \$160,100 | \$160,800 |
| Positions other than permanent | 1,994 | 2,000 | 2,000 |
| Other personal services | 8,830 | 4,700 | 4,000 |
| Total personal services | 200,337 | 166,800 | 166,800 |
| 02 Travel | 15,363 | 11,500 | 11,500 |
| 03 Transportation of things | 6,659 | 50 | 50 |
| 04 Communication services | 2,813 | 1,800 | 1,800 |
| 06 Printing and reproduction | 3,525 | 3,200 | 4,950 |
| 07 Other contractual services | 2,272 | 1,700 | 3,000 |
| Services performed by other agencies | 11,600 | 10,000 | 10,250 |
| 08 Supplies and materials | 695 | 450 | 700 |
| 09 Equipment | 304 | | |
| 11 Grants, subsidies, and contributions | 12,358 | 10,500 | 10,500 |
| 13 Refunds, awards, and indemnities | 200 | | |
| Total obligations | 256,126 | 206,000 | 209,550 |

COMMODITY EXCHANGE AUTHORITY

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses to carry into effect the provisions of the Commodity Exchange Act, as amended (7 U.S.C. 1-17a), [§909,500] \$941,325. (Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.)

Appropriated 1960, \$909,500

Estimate 1961, \$941,325

Program and Financing

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|-------------|---------------|---------------|
| Program by activities: | | | |
| 1. Licensing | \$57,898 | \$60,600 | \$61,000 |
| 2. Supervision of futures trading | 465,057 | 481,000 | 484,500 |
| 3. Audits | 206,303 | 199,300 | 200,800 |
| 4. Investigations | 167,772 | 168,600 | 195,025 |
| Total program costs ¹ | 897,030 | 909,500 | 941,325 |
| 5. Relation of costs to obligations: Costs financed from obligations of other years (unpaid undelivered orders), net (-) | -2,045 | | |
| Total program (obligations) | 894,985 | 909,500 | 941,325 |
| Financing: | | | |
| Unobligated balance no longer available | 515 | | |
| New obligational authority | 895,500 | 909,500 | 941,325 |
| New obligational authority: | | | |
| Appropriation | \$832,000 | \$909,500 | \$941,325 |
| Transferred from "Conservation reserve program," Commodity Stabilization Service (73 Stat. 51) | 63,500 | | |
| Appropriation (adjusted) | 895,500 | 909,500 | 941,325 |

¹ Includes capital outlay as follows: June 30, 1959, \$2,418; 1960, \$2,500; 1961, \$2,500.

The major objectives of the Commodity Exchange Authority are to maintain fair and competitive pricing in the commodity futures markets by preventing manipulation and other abusive trading practices. Enforcement of the Commodity Exchange Act requires supervision over futures trading in 21 commodities on 16 exchanges currently designated as contract markets. Transactions on contract markets were estimated at 7,100,000 in 1959, and the value of trading approximately \$27 billion.

1. **Licensing.**—Commission merchants and floor brokers are registered annually. In 1959 there were 503 commission merchants and 778 floor brokers so registered, and it

COMMODITY EXCHANGE AUTHORITY—Continued**Current authorizations—Continued****SALARIES AND EXPENSES—Continued**

is estimated that the same number will be registered in 1961. Exchange rules and regulations are reviewed to insure that legal requirements are met.

2. *Supervision of futures trading.*—This embraces (a) examination and analysis of reports and other market data, the making of market position surveys, and publication of summary data; (b) establishment, review, and enforcement of speculative limits; and (c) cooperative activities with control committees of contract markets. In 1959, position surveys covered 4,303 traders.

REPORTS TABULATED AND ANALYZED

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|-------------|---------------|---------------|
| Daily trading volume and open contracts | 221,793 | 225,000 | 225,000 |
| Daily and weekly reports on large traders | 268,520 | 275,000 | 275,000 |
| Delivery notices | 37,703 | 40,000 | 40,000 |

3. *Audits.*—Misuse of customers' funds is prevented by (a) audit and examination of books of futures commission merchants and (b) analysis of brokers' and traders' books and financial statements. The 1959 audits revealed that customers had to their credit \$95,884,543 required to be segregated from the funds of the carrying brokers, compared with \$81,672,368 in 1958.

AUDITS

| | 1959 actual | 1960 estimate | 1961 estimate |
|---------------------------------------|-------------|---------------|---------------|
| Audits of customers' segregated funds | 698 | 650 | 650 |
| Accounts examined | 34,237 | 31,000 | 31,000 |
| Financial statements examined | 503 | 500 | 500 |

4. *Investigations.*—Apparent or alleged violations of the law and regulations are investigated, and trade practice surveys are made to discover violations and compile legal evidence. The Authority also prepares and presents evidence of violations in administrative hearings and judicial proceedings.

INVESTIGATIONS, TRANSACTIONS, AND PROCEEDINGS

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|-------------|---------------|---------------|
| Compliance investigations completed | 26 | 35 | 35 |
| Trade practice investigations completed | 1 | 2 | 4 |
| Number of transactions examined | 16,200 | 25,000 | 60,000 |
| Administrative proceedings instituted | 5 | 7 | 7 |

5. *Relation of costs to obligations.*—The year-end balances of unpaid undelivered orders are as follows: 1958, \$3,746; 1959, \$1,701; 1960, \$1,701; 1961, \$1,701.

Object Classification

| | 1959 actual | 1960 estimate | 1961 estimate | |
|---|-------------|---------------|---------------|---------|
| Total number of permanent positions | 134 | 128 | 132 | |
| Full-time equivalent of all other positions | 1 | 1 | 1 | |
| Average number of all employees | 123 | 122 | 125 | |
| Number of employees at end of year | 120 | 120 | 124 | |
| Average GS grade and salary | 7.1 | \$6,259 | 7.3 | \$6,315 |
| 01 Personal services: | | | | |
| Permanent positions | \$765,206 | \$773,000 | \$798,200 | |
| Positions other than permanent | 3,153 | 3,225 | 3,275 | |
| Other personal services | 3,202 | 6,275 | 3,425 | |
| Total personal services | 771,561 | 782,500 | 804,900 | |
| 02 Travel | 9,922 | 10,400 | 11,300 | |
| 03 Transportation of things | 1,134 | 600 | 600 | |
| 04 Communication services | 19,514 | 20,200 | 20,200 | |
| 05 Rents and utility services | 14,285 | 12,000 | 12,000 | |
| 06 Printing and reproduction | 10,799 | 11,500 | 11,500 | |
| 07 Other contractual services | 7,167 | 9,200 | 16,125 | |
| Services performed by other agencies | 2,150 | 2,200 | 2,200 | |
| 08 Supplies and materials | 5,723 | 5,900 | 5,900 | |
| 09 Equipment | 2,467 | 3,500 | 3,500 | |
| 11 Grants, subsidies, and contributions | 49,684 | 50,800 | 52,400 | |
| 13 Refunds, awards, and indemnities | 475 | 600 | 600 | |
| 15 Taxes and assessments | 104 | 100 | 100 | |
| Total obligations | 894,985 | 909,500 | 941,325 | |

Intragovernmental funds:**ADVANCES AND REIMBURSEMENTS****Program and Financing**

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|-------------|---------------|---------------|
| Program by activities: | | | |
| Supervision of futures trading (total costs—obligations) | \$413 | | |
| Financing: | | | |
| Advances and reimbursements from non-Federal sources (5 U.S.C. 61(b); 40 U.S.C. 481(c)) | 413 | | |

Object Classification

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|-------------|---------------|---------------|
| 01 Personal services: Permanent positions | \$184 | | |
| 09 Equipment | 229 | | |
| Total obligations | 413 | | |

【SOIL BANK PROGRAM】

NOTE.—The appropriations under this head are shown under Commodity Stabilization Service.

COMMODITY STABILIZATION SERVICE**Current authorizations:****ACREAGE ALLOTMENTS AND MARKETING QUOTAS**

For necessary expenses to formulate and carry out acreage allotment and marketing quota programs pursuant to provisions of title III of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1301-1393), [§39,135,000] \$40,135,000, of which not more than [§6,886,300] \$6,934,400 shall be transferred to the appropriation account "Administrative expenses, section 392, Agricultural Adjustment Act of 1938". (73 Stat. 393-394, 642; Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.)

Appropriated 1960, \$39,135,000

Estimate 1961, \$40,135,000

Program and Financing

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|--------------|---------------|---------------|
| Program by activities: | | | |
| 1. Acreage allotments and marketing quotas (total program costs) | \$41,753,172 | \$39,135,000 | \$40,135,000 |
| 2. Relation of costs to obligations: Costs financed from obligations of other years, net (-) | -44,192 | | |
| Total program (obligations) | 41,708,980 | 39,135,000 | 40,135,000 |
| Financing: | | | |
| Unobligated balance no longer available | 6,020 | | |
| New obligational authority | 41,715,000 | 39,135,000 | 40,135,000 |
| New obligational authority: | | | |
| Appropriation | \$39,715,000 | \$39,135,000 | \$40,135,000 |
| Transferred from "Conservation reserve program," Commodity Stabilization Service (73 Stat. 35) | 2,000,000 | | |
| Appropriation (adjusted) | 41,715,000 | 39,135,000 | 40,135,000 |

Acreage allotment and marketing quota programs are designed to keep the production and marketing of cotton, wheat, rice, tobacco, and peanuts, in line with demand in order to give each farmer a fair share of the available market and the total production required.

Acreage allotments, when necessary, are established at national, State, and county levels (only at State level in the case of tobacco). In general, the acreage allotted to any county is apportioned by farmer-elected county committeemen. National marketing quotas must be proclaimed whenever the total supply for the above basic

commodities reaches a level specified in the Agricultural Adjustment Act of 1938, as amended. However, quotas do not become effective unless approved by two-thirds of those voting in a farmer referendum.

Acreage allotments and marketing quotas have been proclaimed for the 1960 crops of wheat, peanuts, flue-cured tobacco, rice, and upland and extra long staple cotton and are indicated for the other kinds of quota tobaccos. For the 1961 crops the estimates provide for continuation of acreage allotments and marketing quotas on all these basic commodities. The choice B plan authorized by the Agricultural Act of 1958 under which cotton producers may elect to take an increase of not to exceed 40% (as determined by the Secretary) in their acreage allotments, coupled with a 15% parity reduction in price support, will not apply to the 1961 or subsequent crops of upland cotton and farmers will receive only their regular cotton acreage allotments.

Work in the fiscal years 1960 and 1961 will consist primarily of the following:

| Job | Tobacco | Peanuts | Wheat | Cotton | Rice |
|--|---------|---------|-----------|---------|--------|
| Collecting, reviewing, and compiling basic data, and reconstituting farms; reviewing, processing, and recording basic farm data; determining, computing, compiling, and reviewing farm allotments, preparing and issuing allotment notices and marketing cards (estimated number of allotment farms) | 579,964 | 118,053 | 1,824,075 | 960,250 | 16,689 |
| Handling appeals | 15,000 | 1,200 | 45,000 | 18,300 | 450 |
| Performance checking (percent of crop farms measured): | | | | | |
| Fiscal year 1960: | | | | | |
| 1959 crop | 41.7 | 39.6 | 1.2 | 25.0 | 26.1 |
| 1960 crop | 58.3 | 60.4 | 98.8 | 1 53.2 | 73.9 |
| Fiscal year 1961: | | | | | |
| 1960 crop | 41.7 | 39.6 | 1.2 | 1 46.8 | 26.1 |
| 1961 crop | 58.3 | 60.4 | 98.8 | 1 48.8 | 73.9 |
| Conducting referendums, tabulating votes, and certifying results (number): | | | | | |
| Fiscal year 1960 | 86 | 496 | 2,658 | 1,092 | 157 |
| Fiscal year 1961 | 115 | (2) | 2,658 | 1,092 | 157 |

¹ Represents estimate of work to be performed with appropriation for 1960 and estimate for 1961. A supplemental appropriation for 1960 is anticipated under Proposed for later transmission to permit measurement of 75% of the 1960 crop of cotton in 1960 and the same percent of the 1961 crop in 1961.

² Marketing quotas were approved for 3 years beginning with the 1960 marketing year in the referendum held in fiscal year 1960.

2. Relation of costs to obligations.—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

| | 1958 actual | 1959 actual | 1960 estimate | 1961 estimate |
|--|----------------|----------------|------------------|------------------|
| Selected resources at end of year: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received) | \$207,443 | \$30,606 | \$30,606 | \$30,606 |
| Selected resources at start of year (-) | -207,443 | -30,606 | -30,606 | -30,606 |
| Adjustment of prior year costs and selected resources reported at start of year | 132,645 | ----- | ----- | ----- |
| Costs financed from obligations of other years, net (-) | -44,192 | ----- | ----- | ----- |

Object Classification

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|-------------|---------------|---------------|
| 06 Printing and reproduction | \$197,330 | \$247,000 | \$247,000 |
| 07 Other contractual services: Advanced to— | | | |
| "Administrative expenses, sec. 392, Agricultural Adjustment Act of 1938" (7 U.S.C. 1392) | 6,861,700 | 6,886,300 | 6,934,400 |
| "Local administration, sec. 388, Agricultural Adjustment Act of 1938" (7 U.S.C. 1388) | 34,649,950 | 32,001,700 | 32,953,600 |
| Total obligations | 41,708,980 | 39,135,000 | 40,135,000 |

SUGAR ACT PROGRAM

For necessary expenses to carry into effect the provisions of the Sugar Act of 1948 (7 U.S.C. 1101-1161), [§71,500,000] \$74,500,000, to remain available until June 30 of the next succeeding fiscal year: *Provided*, That expenditures (including transfers) from this appro-

priation for other than payments to sugar producers shall not exceed [§2,297,426] \$2,307,000. (*Department of Agriculture and Farm Credit Administration Appropriation Act, 1960*.)

Appropriated 1960, \$71,500,000 Estimate 1961, \$74,500,000

Program and Financing

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|--------------|---------------|---------------|
| Program by activities: | | | |
| 1. Payments to sugar producers: | | | |
| (a) Continental beet area | \$37,441,750 | \$38,465,000 | \$39,283,000 |
| (b) Continental cane area | 7,398,000 | 9,381,400 | 10,051,500 |
| (c) Offshore cane area | 28,922,224 | 21,356,174 | 22,858,500 |
| 2. Operating expense | 2,236,426 | 2,297,426 | 2,307,000 |
| 3. Adjustment of prior year costs | -11,379 | ----- | ----- |
| Total program costs | 75,987,021 | 71,500,000 | 74,500,000 |
| 4. Relation of costs to obligations: Obligations incurred for costs of other years, net | 12,979 | ----- | ----- |
| Total program (obligations) | 76,000,000 | 71,500,000 | 74,500,000 |
| Financing: | | | |
| Appropriation (new obligational authority) | 76,000,000 | 71,500,000 | 74,500,000 |

The Service determines total U.S. requirements and quotas to provide consumers with adequate supplies of sugar at reasonable prices, to protect the domestic sugar industry and to promote export trade for the five domestic sugar producing areas, the Philippines, Cuba, and other foreign countries. The quota for each domestic area is allotted to individual sellers when necessary to achieve orderly marketing, and restrictive farm acreage allotments are established for producers when necessary to avoid surpluses.

1. Payments to sugar producers.—Payments are made (a) to domestic producers of cane and beets who meet specified conditions of employment, production, and price; and (b) for abandonment of planted acreage and crop deficiencies on harvested acreage due to natural calamities.

An increase of \$3 million is proposed for 1961 due to increased conditional payments to sugar producers.

Estimated production by areas is shown in the following table.

| | SHORT TONS, RAW VALUE | | |
|-----------------------|-----------------------|----------------|----------------|
| Area | 1958 crop year | 1959 crop year | 1960 crop year |
| Continental beet area | 2,212,000 | 2,350,000 | 2,400,000 |
| Continental cane area | 579,000 | 700,000 | 750,000 |
| Hawaii | 765,000 | 975,000 | 1,065,000 |
| Puerto Rico | 1,087,000 | 1,250,000 | 1,350,000 |
| Virgin Islands | 6,200 | 12,500 | 10,000 |
| Total | 4,649,200 | 5,287,500 | 5,575,000 |

2. Operating expense.—This consists of the expense of (a) the agricultural stabilization and conservation State and county offices in establishing farm production controls, determining compliance, and making payments to producers, and (b) the Service's departmental work in determining sugar consumption requirements, establishing quotas and allotments, making fair wage and price determinations, establishing area production controls, and formulating overall policies and procedures.

4. Relation of costs to obligations.—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

| | 1958 actual | 1959 actual | 1960 estimate | 1961 estimate |
|--|----------------|----------------|------------------|------------------|
| Selected resources at end of year: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received) | \$100 | \$1,700 | \$1,700 | \$1,700 |
| Selected resources at start of year (-) | -100 | -1,700 | -1,700 | -1,700 |
| Adjustment of prior year costs and selected resources reported at start of year | 11,379 | ----- | ----- | ----- |
| Obligations incurred for costs of other years, net | 12,979 | ----- | ----- | ----- |

COMMODITY STABILIZATION SERVICE—Continued

Current authorizations—Continued

SUGAR ACT PROGRAM—Continued

Object Classification

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|-------------|---------------|---------------|
| 07 Other contractual services: Advanced to— | | | |
| "Administrative expenses, sec. 392, Agricultural Adjustment Act of 1938" (7 U.S.C. 1392) | \$1,487,028 | \$1,487,028 | \$1,496,602 |
| "Local administration, sec. 388, Agricultural Adjustment Act of 1938" (7 U.S.C. 1388) | 749,398 | 810,398 | 810,398 |
| 11 Grants, subsidies, and contributions | 73,763,574 | 69,202,574 | 72,193,000 |
| Total obligations | 76,000,000 | 71,500,000 | 74,500,000 |

CONSERVATION RESERVE PROGRAM

For necessary expenses to carry out a conservation reserve program as authorized by subtitles B and C of the Soil Bank Act (7 U.S.C. 1831-1837 and 1802-1814), and to carry out liquidation activities for the acreage reserve program, **[\$335,000,000]** **\$361,783,000**: *Provided*, That not to exceed **[\$18,600,000]** **\$13,783,800** shall be available for administrative expenses, of which not less than **[\$14,400,000]** **\$10,500,000** may be transferred to the appropriation account "Local administration, section 388, Agricultural Adjustment Act of 1938": *Provided further*, That no part of this appropriation shall be used to enter into contracts with producers which, together with contracts already entered into, would require payments to producers (including the cost of materials and services) in excess of \$375,000,000 in any calendar year, and for purposes of applying this limitation, practice payments shall be chargeable to the first year of the contract period: *Provided further*, That no part of these funds shall be used to enter into contracts to pay rental compensation to any individual or corporation in excess of \$5,000 per annum: *I* *Provided further*, That no part of these funds shall be paid on any contract which is illegal under the law due to the division of lands for the purpose of evading limits on annual payments to participants: *Provided further*, That clause (2) of the fourth proviso relating to annual rental payments under this head in Public Law 85-459 shall not be applicable to contracts hereafter entered into: *Provided further*, That (1) no part of the funds authorized for 1960 may be used to enter into annual rental contracts for a period of time or at rates or in amounts which are in excess of limitations imposed by present regulations or announcements, (2) in establishing annual rental rates for new contracts, no such rental rate shall be established in excess of the local fair rental value of the acreage offered, such fair rental value to be based upon the average annual crop production harvested from such acreage during the past five crop years including the current year, (3) in handling funds within any State, first consideration shall be given to those applicants who were not offered contracts during the 1959 sign-up due to limitation of funds, and (4) in the allocation of funds and administration thereof, the Department shall not allocate funds on any basis not in accord with the purposes as set forth in the basic law. (73 Stat. 552, 611; Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.)

Appropriated 1960, **\$335,000,000** Estimate 1961, **\$361,783,000**

Program and Financing

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|---------------|---------------|---------------|
| Program by activities: | | | |
| 1. Conservation reserve program (total program costs) <i>1</i> | \$170,824,552 | \$335,542,981 | \$362,186,000 |
| 2. Relation of costs to obligations: | | | |
| Costs financed from obligations of other years, net (-) | | -542,981 | -403,000 |
| Obligations incurred for costs of other years, net | 326,054 | | |
| Total program (obligations) | 171,150,606 | 335,000,000 | 361,783,000 |
| Financing: | | | |
| Unobligated balance no longer available | 181,787 | | |
| New obligational authority | 171,332,393 | 335,000,000 | 361,783,000 |

¹ Includes capital outlay as follows: June 30, 1959, \$1,088,461; 1960, \$1,700,000; 1961, \$450,000.

Program and Financing—Continued

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|---------------|---------------|---------------|
| New obligational authority: | | | |
| Appropriation | \$200,000,000 | \$335,000,000 | \$361,783,000 |
| Transferred (73 Stat. 34-36) to— | | | |
| "Salaries and expenses," Agricultural Research Service | -7,831,500 | | |
| "Cooperative extension work, payments and expenses," Extension Service | -559,682 | | |
| "Salaries and expenses," Farmer Cooperative Service | -39,900 | | |
| "Conservation operations," Soil Conservation Service | -6,102,800 | | |
| "Marketing research and service," Agricultural Marketing Service | -3,112,700 | | |
| "Salaries and expenses," Foreign Agricultural Service | -232,020 | | |
| "Salaries and expenses," Commodity Exchange Authority | -63,500 | | |
| "Acreage allotments and marketing quotas" | -2,000,000 | | |
| "Salaries and expenses," Rural Electrification Administration | -582,300 | | |
| "Salaries and expenses," Farmers Home Administration | -2,100,000 | | |
| "Salaries and expenses," Office of the General Counsel | -240,750 | | |
| "Salaries and expenses," Office of the Secretary | -186,755 | | |
| "Salaries and expenses," Office of Information | -74,000 | | |
| "Salaries and expenses," Library | -59,500 | | |
| "Forest protection and utilization," Forest Service | -5,432,200 | | |
| Appropriation (adjusted) | 171,332,393 | 335,000,000 | 361,783,000 |

The objective of this program is to help adjust total crop acreage more nearly in line with demand by withdrawing cropland from production and to establish and maintain sound conservation practices on the land withdrawn. The Secretary is authorized, through calendar year 1960, to enter into 3- to 15-year contracts with producers. In return for removing designated cropland from production and for establishing necessary conservation practices, the producer receives an annual rental payment each year of the contract period, and cost-sharing assistance for the establishment of the required practices. The Secretary may not enter into contracts with producers which would require payments to producers in excess of \$375 million for the 1960 calendar year. Total annual rental payments to a producer are limited to \$5,000.

Participation in the program is summarized below:

| | |
|---|---------------|
| Number of agreements 1956-59 programs..... | 246,220 |
| Number of acres..... | 22,422,159 |
| Payments made in calendar year 1958, estimated..... | \$116,961,757 |
| Estimated payments made in calendar year 1959..... | \$332,105,000 |

Under the 1960 program it is contemplated that at least an additional 5.1 million acres on 55,000 farms will be placed in the conservation reserve. This will make a total of about 28 million acres on 301,200 farms in the program.

2. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

| | 1958 actual | 1959 actual | 1960 estimate | 1961 estimate |
|--|----------------|----------------|------------------|------------------|
| Selected resources at end of year: Inventories and items on order: | | | | |
| Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)..... | \$11,832 | \$348,059 | \$185,000 | \$60,000 |
| Advances (payments for goods and services on order not yet received)..... | 1,593,601 | 807,922 | 428,000 | 150,000 |
| Total selected resources at end of year..... | 1,605,433 | 1,155,981 | 613,000 | 210,000 |
| Selected resources at start of year (-)..... | -1,605,433 | -1,155,981 | -613,000 | -613,000 |
| Adjustment of prior year costs and selected resources reported at start of year..... | 775,506 | | | |
| Costs financed from obligations of other years, net (-)..... | | | -542,981 | -403,000 |
| Obligations incurred for costs of other years, net..... | 326,054 | | | |

Object Classification

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|---------------|---------------|---------------|
| COMMODITY STABILIZATION SERVICE | | | |
| 03 Transportation of things----- | \$1,846 | | |
| 06 Printing and reproduction----- | 32,963 | \$125,000 | \$125,000 |
| 07 Other contractual services: Advanced to— | | | |
| "Administrative expenses, sec. 392, Agricultural Adjustment Act of 1938" (7 U.S.C. 1392)----- | 1,960,107 | 2,546,000 | 2,564,600 |
| "Local administration, sec. 388, Agricultural Adjustment Act of 1938" (7 U.S.C. 1388)----- | 12,996,948 | 14,920,100 | 10,500,000 |
| 11 Grants, subsidies, and contributions: Conservation reserve payments----- | 153,046,536 | 315,275,000 | 347,525,600 |
| Total, Commodity Stabilization Service----- | 168,038,400 | 332,866,100 | 360,715,200 |
| ALLOTMENT ACCOUNTS | | | |
| Total number of permanent positions----- | 46 | 64 | 53 |
| Full-time equivalent of all other positions----- | 11 | 7 | 3 |
| Average number of all employees----- | 104 | 94 | 66 |
| Number of employees at end of year----- | 61 | 78 | 63 |
| Average GS grade and salary----- | 7.7 | \$5,859 | 7.5 \$6,176 |
| 01 Personal services: | | | |
| Permanent positions----- | \$637,473 | \$574,301 | \$423,002 |
| Positions other than permanent----- | 38,065 | 24,703 | 8,503 |
| Other personal services----- | 1,875 | 3,497 | 1,757 |
| Total personal services----- | 677,413 | 602,501 | 433,262 |
| 02 Travel----- | 30,624 | 28,400 | 27,580 |
| 03 Transportation of things----- | 1,454 | 1,300 | 1,300 |
| 04 Communication services----- | 5,742 | 5,300 | 5,800 |
| 05 Rents and utility services----- | 2,352 | 1,600 | 1,300 |
| 06 Printing and reproduction----- | 2,882 | 3,550 | 3,700 |
| 07 Other contractual services: | | | |
| Services performed by other agencies----- | 74,807 | 31,550 | 16,865 |
| 130,974 | 3,600 | 1,594 | |
| 08 Supplies and materials----- | 17,151 | 13,000 | 8,800 |
| 09 Equipment----- | 2,057 | 1,500 | 1,200 |
| 11 Grants, subsidies, and contributions----- | 2,163,404 | 1,441,099 | 566,199 |
| 13 Refunds, awards, and indemnities----- | 616 | | |
| 15 Taxes and assessments----- | 720 | 500 | 200 |
| Total, allotment accounts----- | 3,112,206 | 2,133,900 | 1,067,800 |
| Total obligations----- | 171,150,606 | 335,000,000 | 361,783,000 |
| Obligations are distributed as follows: | | | |
| Commodity Stabilization Service----- | \$168,038,400 | \$332,866,100 | \$360,715,200 |
| Agricultural Conservation Program Service----- | 20,558 | 30,000 | 30,000 |
| Forest Service----- | 2,506,852 | 1,635,000 | 771,000 |
| Soil Conservation Service----- | 541,652 | 300,000 | 125,800 |
| Office of the General Counsel----- | 34,488 | 160,000 | 141,000 |
| Office of Information----- | 8,656 | 8,900 | ----- |

ACREAGE RESERVE

Program and Financing

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|---------------|---------------|---------------|
| Program by activities: | | | |
| 1. Acreage reserve program (total program costs)----- | \$609,003,002 | | |
| 2. Relation of costs to obligations: Obligations incurred for costs of other years, net----- | 7,641 | | |
| Total program (obligations)----- | 609,010,643 | | |
| Financing: | | | |
| Unobligated balance no longer available----- | 439,357 | | |
| Appropriation (new obligational authority)----- | 609,450,000 | | |

1. The acreage reserve program was in effect for 3 crop years from 1956 through 1958. Producers were compensated for reducing their acreages for the six basic commodities: wheat, cotton, corn produced in the commercial corn-producing area, peanuts, rice, and most types of tobacco.

The appropriation act for 1959 provided for the termination of the program after the 1958 crop year. No funds are available in 1960 and none are requested for 1961. Liquidation costs are charged to the appropriation for the conservation reserve program.

2. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

| | 1958 actual | 1959 actual | 1960 estimate | 1961 estimate |
|---|----------------|----------------|------------------|------------------|
| Selected resources at end of year: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)----- | \$3,143 | \$125 | ----- | ----- |
| Selected resources at start of year (—)----- | ----- | 3,143 | ----- | ----- |
| Adjustment of prior year costs and selected resources reported at start of year----- | 10,659 | 125 | ----- | ----- |
| Obligations incurred for costs of other years, net----- | 7,641 | ----- | ----- | ----- |

Object Classification

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|---------------|---------------|---------------|
| COMMODITY STABILIZATION SERVICE | | | |
| 03 Transportation of things----- | \$804 | ----- | ----- |
| 06 Printing and reproduction----- | 9,426 | ----- | ----- |
| 07 Other contractual services: Advanced to— | | | |
| "Administrative expenses, sec. 392, Agricultural Adjustment Act of 1938" (7 U.S.C. 1392)----- | 4,302,058 | ----- | ----- |
| "Local administration, sec. 388, Agricultural Adjustment Act of 1938" (7 U.S.C. 1388)----- | 14,469,000 | ----- | ----- |
| 11 Grants, subsidies, and contributions: Acreage reserve payments----- | 590,160,950 | ----- | ----- |
| Total, Commodity Stabilization Service----- | 608,942,238 | ----- | ----- |
| ALLOTMENT ACCOUNTS | | | |
| Total number of permanent positions----- | 10 | ----- | ----- |
| Average number of all employees----- | 9 | ----- | ----- |
| Number of employees at end of year----- | 6 | ----- | ----- |
| Average GS grade and salary----- | 8.1 \$6,836 | ----- | ----- |
| 01 Personal services: Permanent positions----- | \$62,721 | ----- | ----- |
| 02 Travel----- | 468 | ----- | ----- |
| 04 Communication services----- | 122 | ----- | ----- |
| 06 Printing and reproduction----- | 41 | ----- | ----- |
| 07 Other contractual services----- | 214 | ----- | ----- |
| Services performed by other agencies----- | 150 | ----- | ----- |
| 08 Supplies and materials----- | 576 | ----- | ----- |
| 09 Equipment----- | 112 | ----- | ----- |
| 11 Grants, subsidies, and contributions----- | 3,995 | ----- | ----- |
| 15 Taxes and assessments----- | 6 | ----- | ----- |
| Total, allotment accounts----- | 68,405 | ----- | ----- |
| Total obligations----- | 609,010,643 | ----- | ----- |
| Obligations are distributed as follows: | | | |
| Commodity Stabilization Service----- | \$608,942,238 | ----- | ----- |
| Office of the General Counsel----- | 55,062 | ----- | ----- |
| Office of Information----- | 13,343 | ----- | ----- |

SOIL BANK PROGRAMS

Program and Financing

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|-------------|---------------|---------------|
| Financing: | | | |
| Authorizing to expend from public debt receipts: | | | |
| Unobligated balance brought forward----- | -\$233,101 | ----- | ----- |
| Recovery of prior year obligations----- | -226,940 | ----- | ----- |
| Unobligated balance carried forward----- | 41,752 | ----- | ----- |
| Unobligated balance no longer available----- | 418,289 | 41,752 | ----- |
| Appropriation (new obligational authority)----- | | | |

ALLOCATIONS AND ALLOTMENTS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allocations and allotments from other accounts are included in the schedules of the parent appropriations as follows:

- "Agricultural conservation program," Agricultural Conservation Program Service.
- "School lunch program," Agricultural Marketing Service.
- "Great Plains conservation program," Soil Conservation Service.
- "Removal of surplus agricultural commodities," Agricultural Marketing Service.
- "Disaster loans, etc., revolving fund," Farmers Home Administration.
- "Mutual security—economic," funds appropriated to the President.
- "Revolving fund, Defense Production Act," funds appropriated to the President.
- "Salaries and expenses," Office of Civil and Defense Mobilization.
- "Civil defense and defense mobilization functions of Federal agencies," Office of Civil and Defense Mobilization.

COMMODITY STABILIZATION SERVICE—Continued

Intragovernmental funds:

ADMINISTRATIVE EXPENSES, SEC. 392, AGRICULTURAL ADJUSTMENT ACT OF 1938

Program and Financing

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|--------------|---------------|---------------|
| Program by activities: | | | |
| 1. National and State operating expense (costs) ¹ | \$23,492,579 | \$23,036,609 | \$23,166,215 |
| 2. Relation of costs to obligations: Obligations incurred for costs of other years, net | 149,425 | | |
| Total program (obligations) | 23,642,004 | 23,036,609 | 23,166,215 |
| Financing: | | | |
| Advances and reimbursements from— | | | |
| “Agricultural conservation program,” | | | |
| Agricultural Conservation Program Service | 4,813,450 | 4,848,739 | 4,881,931 |
| “Acreage allotments and marketing quotas” | 6,861,700 | 6,886,300 | 6,934,400 |
| “Sugar Act program” | 1,457,028 | 1,457,028 | 1,496,602 |
| “Conservation reserve program” | 4,302,058 | | |
| “Great Plains conservation program,” | 1,960,107 | 2,546,000 | 2,564,600 |
| “Disaster loans, etc., revolving fund,” | 17,000 | 28,000 | 28,000 |
| Farmers Home Administration | 5,000 | 29,000 | 6,000 |
| “Removal of surplus agricultural commodities,” Agricultural Marketing Service | 35,450 | 35,450 | 35,450 |
| Other accounts | 5,438,316 | 7,176,092 | 7,219,232 |
| Unobligated balance no longer available | -1,278,114 | | |
| Total financing | 23,642,004 | 23,036,609 | 23,166,215 |

¹ Includes capital outlay as follows: June 30, 1959, \$169,703; 1960, \$74,000; 1961, \$74,000.

Under the Agricultural Adjustment Act of 1938, amounts estimated to be required for administrative expenses of the national and State offices are advanced to this account from several appropriations related to agricultural stabilization and conservation activities.

2. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

| | 1958 actual | 1959 actual | 1960 estimate | 1961 estimate |
|--|----------------|----------------|------------------|------------------|
| Selected resources at end of year: Inventories and items on order: | | | | |
| Stores (goods unconsumed by projects) | \$8,076 | \$9,114 | \$9,114 | \$9,114 |
| Unpaid undelivered orders (appropriation balances obligated for goods and services not yet received) | 236,136 | 86,784 | 86,784 | 86,784 |
| Total selected resources at end of year | 244,212 | 95,898 | 95,898 | 95,898 |
| Selected resources at start of year (-) | -244,212 | -95,898 | -95,898 | -95,898 |
| Adjustment of prior year costs and selected resources reported at start of year | 297,739 | | | |
| Obligations incurred for costs of other years, net | 149,425 | | | |

Object Classification

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|--------------|---------------|---------------|
| Total number of permanent positions | | | |
| Full-time equivalent of all other positions | 2,782 | 2,656 | 2,656 |
| Average number of all employees | 160 | 123 | 123 |
| Number of employees at end of year | 2,833 | 2,732 | 2,728 |
| Average GS grade and salary | 2,901 | 3,020 | 3,020 |
| 01 Personal services: | 6.1 | \$5,338 | 5.9 |
| Permanent positions | \$15,875,585 | \$15,995,009 | \$16,041,792 |
| Positions other than permanent | 952,898 | 808,879 | 807,964 |
| Other personal services | 153,576 | 209,450 | 142,335 |
| Total personal services | 16,982,059 | 17,013,338 | 16,992,091 |
| 02 Travel | 3,221,365 | 3,124,957 | 3,119,485 |
| 03 Transportation of things | 108,441 | 71,936 | 71,934 |
| 04 Communication services | 574,596 | 456,918 | 456,895 |
| 05 Rents and utility services | 519,774 | 613,077 | 613,077 |
| 06 Printing and reproduction | 73,266 | 79,581 | 79,581 |
| 07 Other contractual services | 591,863 | 173,439 | 331,129 |
| Services performed by other agencies | 39,723 | 55,196 | 55,196 |
| 08 Supplies and materials | 228,697 | 242,398 | 242,384 |
| 09 Equipment | 223,583 | 96,383 | 96,372 |
| 11 Grants, subsidies, and contributions | 1,029,287 | 1,052,918 | 1,051,603 |
| 13 Refunds, awards, and indemnities | 24,465 | 33,821 | 33,821 |
| 15 Taxes and assessments | 24,605 | 22,647 | 22,644 |
| Total obligations | 23,642,004 | 23,036,609 | 23,166,215 |

LOCAL ADMINISTRATION, SEC. 388, AGRICULTURAL ADJUSTMENT ACT OF 1938

Program and Financing

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|---------------|---------------|---------------|
| Program by activities: | | | |
| 1. Local operating expense | \$130,438,894 | \$125,775,553 | \$121,198,775 |
| 2. Prior year advances returned | 1,714,101 | | |
| Total program costs ¹ | 130,438,894 | 127,489,654 | 121,198,775 |
| 3. Relation of costs to obligations: Costs financed from obligations of other years, net (-) | -1,317,120 | -2,062,224 | |
| Total program (obligations) | 129,121,774 | 125,427,430 | 121,198,775 |
| Financing: | | | |
| Unobligated balance brought forward | | | 1,714,101 |
| Advances and reimbursements from— | | | |
| “Agricultural conservation program,” | | | |
| Agricultural Conservation Program Service | 19,753,361 | 21,295,131 | 21,259,777 |
| “Acreage allotments and marketing quotas” | 34,649,950 | 32,001,700 | 32,953,600 |
| “Sugar Act program” | 749,398 | \$10,398 | \$10,398 |
| “Commodity Credit Corporation fund” (storage and price support programs) | 40,366,000 | 44,482,000 | 45,500,000 |
| “Acreage reserve” | 14,469,000 | | |
| “Conservation reserve program” | 12,996,948 | 14,920,100 | 10,500,000 |
| “Great Plains conservation program,” | 76,700 | 126,000 | 126,000 |
| Soil Conservation Service | | | |
| “Disaster loans, etc., revolving fund,” | | | |
| Farmers Home Administration | | 35,000 | 6,000 |
| “Removal of surplus agricultural commodities,” Agricultural Marketing Service | 20,000 | 43,000 | 43,000 |
| Other accounts | 8,594,413 | 10,000,000 | 10,000,000 |
| Unobligated balance carried forward | -1,714,101 | | |
| Unobligated balance no longer available | -\$39,895 | | |
| Total financing | 129,121,774 | 125,427,430 | 121,198,775 |

¹ Includes capital outlay as follows: June 30, 1959, \$6,326; 1960, \$5,000; 1961, \$5,000.

Under the Agricultural Adjustment Act of 1938, amounts estimated to be required by the county agricultural stabilization and conservation committees for carrying out the programs assigned to them are advanced to this account from the several appropriations available. Payments to county committees for their estimated expenses are deposited in the bank accounts of the committees. Expense paid from this account is as follows:

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|--------------|---------------|---------------|
| Salaries | \$93,967,240 | \$90,663,120 | \$88,418,097 |
| Travel | 7,330,840 | 6,603,895 | 6,445,790 |
| All other expense | 26,724,813 | 25,333,380 | 25,215,808 |
| Total advances to committees | 123,022,893 | 122,600,395 | 120,079,695 |
| Aerial photography for performance checking | 1,098,881 | 1,112,934 | 1,119,080 |
| Prior year advances returned | | 1,714,101 | |
| Total obligations | 129,121,774 | 125,427,430 | 121,198,775 |

3. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

| | 1958 actual | 1959 actual | 1960 estimate | 1961 estimate |
|--|----------------|----------------|------------------|------------------|
| Selected resources at end of year: Inventories and items on order: | | | | |
| Stores (goods unconsumed by projects) | \$76,871 | \$73,239 | \$73,239 | \$73,239 |
| Unpaid undelivered orders (appropriation balances obligated for goods and services not yet received) | 3,888,663 | 2,088,985 | 26,761 | 26,761 |
| Total selected resources at end of year | 3,965,534 | 2,162,224 | 100,000 | 100,000 |
| Selected resources at start of year (-) | -3,965,534 | -2,162,224 | | |
| Adjustment of prior year costs and selected resources reported at start of year | 486,190 | | | |
| Costs financed from obligations of others years, net (-) | -1,317,120 | -2,062,224 | | |

Object Classification

| | 1959 actual | 1960 estimate | 1961 estimate |
|-------------------------------------|-------------|---------------|---------------|
| Total number of permanent positions | 105 | 107 | 107 |
| Average number of all employees | 99 | 103 | 103 |
| Number of employees at end of year | 97 | 104 | 104 |
| Average GS grade and salary | 6.1 | \$5,338 | 5.9 |

Object Classification—Continued

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|-------------|---------------|---------------|
| 01 Personal services: | | | |
| Permanent positions | \$464,350 | \$489,064 | \$489,100 |
| Positions other than permanent | 753 | 1,110 | 1,100 |
| Other personal services | 3,439 | 4,503 | 4,500 |
| Total personal services | 468,542 | 494,677 | 494,700 |
| 02 Travel | 9,666 | 10,300 | 10,300 |
| 03 Transportation of things | 18,490 | 15,750 | 15,750 |
| 04 Communication services | 3,586 | 3,375 | 3,350 |
| 05 Rents and utility services | 68 | 68 | 100 |
| 06 Printing and reproduction | 90,367 | 75,550 | 75,550 |
| 07 Other contractual services | 303,939 | 324,588 | 330,680 |
| 08 Supplies and materials | 164,782 | 145,577 | 145,600 |
| 09 Equipment | 7,647 | 6,500 | 6,500 |
| 11 Grants, subsidies, and contributions | 128,053,165 | 122,634,964 | 120,114,295 |
| 13 Refunds, awards, and indemnities | 1,166 | 1,715,426 | 1,300 |
| 15 Taxes and assessments | 356 | 655 | 650 |
| Total obligations | 129,121,774 | 125,427,430 | 121,198,775 |

ADVANCES AND REIMBURSEMENTS

Program and Financing

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|-------------|---------------|---------------|
| Program by activities: | | | |
| 1. Advanced from Commodity Credit Corporation: | | | |
| (a) Supply and foreign purchase program | \$95,186 | \$95,000 | \$94,700 |
| (b) International Wheat Agreement | 159,156 | 200,000 | 215,000 |
| (c) National Wool Act | 200,386 | 260,000 | 260,000 |
| (d) Sale of stockpile cotton | 2,525 | 3,500 | 3,500 |
| 2. Operation and maintenance, Air Force | 58,320 | 65,000 | ----- |
| 3. Miscellaneous services to other accounts | 77,349 | 170,000 | 170,000 |
| 4. Adjustment of prior year costs | -13,627 | ----- | ----- |
| Total program costs | 579,295 | 793,500 | 743,200 |
| 5. Relation of costs to obligations: Obligations incurred for costs of other years, net | 13,823 | ----- | ----- |
| Total program (obligations) | 593,118 | 793,500 | 743,200 |
| Financing: | | | |
| Advances and reimbursements from other accounts | 593,118 | 793,500 | 743,200 |

5. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

| | 1958 actual | 1959 actual | 1960 estimate | 1961 estimate |
|--|----------------|----------------|------------------|------------------|
| Selected resources at end of year: Unpaid undelivered orders (balances obligated for goods and services on order not yet received) | \$4,407 | \$4,603 | \$4,603 | \$4,603 |
| Selected resources at start of year (-) | -4,407 | -4,603 | -4,603 | -4,603 |
| Adjustment of prior year costs and selected resources reported at start of year | 13,627 | ----- | ----- | ----- |
| Obligations incurred for costs of other years, net | 13,823 | ----- | ----- | ----- |

Object Classification

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|-------------|---------------|---------------|
| Total number of permanent positions | 37 | 43 | 34 |
| Average number of all employees | 66 | 79 | 70 |
| Number of employees at end of year | 54 | 71 | 62 |
| Average GS grade and salary | 6.1 | \$5,338 | 5.9 |
| | | \$5,315 | 6.0 |
| | | \$5,374 | |
| 01 Personal services: | | | |
| Permanent positions | \$393,470 | \$481,589 | \$443,216 |
| Positions other than permanent | 2,773 | 2,545 | 3,145 |
| Other personal services | 3,673 | 5,740 | 3,468 |
| Total personal services | 399,921 | 489,874 | 449,829 |
| 02 Travel | 22,933 | 31,000 | 31,000 |
| 03 Transportation of things | 2,228 | 2,515 | 2,415 |
| 04 Communication services | 10,636 | 12,220 | 11,520 |
| 05 Rents and utility services | 74,283 | 124,200 | 124,200 |
| 06 Printing and reproduction | 24,137 | 48,240 | 42,240 |
| 07 Other contractual services | 7,736 | 6,465 | 12,215 |
| Services preformed by other agencies | 4,635 | 4,150 | 4,150 |
| 08 Supplies and materials | 21,726 | 40,379 | 32,125 |
| 09 Equipment | 380 | 4,050 | 2,550 |
| 11 Grants, subsidies, and contributions | 23,334 | 28,364 | 28,918 |
| 13 Refunds, awards, and indemnities | 920 | 1,750 | 1,750 |
| 15 Taxes and assessments | 249 | 293 | 288 |
| Total obligations | 593,118 | 793,500 | 743,200 |

Proposed for later transmission:

ACREAGE ALLOTMENTS AND MARKETING QUOTAS

Program and Financing

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|-------------|---------------|---------------|
| Program by activities: | | | |
| Acreage allotments and marketing quotas (total costs—obligations) | | \$1,666,800 | |
| Financing: | | | |
| Proposed supplemental appropriation | | 1,666,800 | |

Under existing legislation, 1960.—A proposed supplemental appropriation in the amount of \$1,666,800 is anticipated, to permit measurement of 75% of the 1960 crop upland cotton acreage. Measurement of the other 25% of this crop will be completed before the marketing year begins on August 1, 1960.

CONSERVATION RESERVE PROGRAM

Program and Financing

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|-------------|---------------|---------------|
| Program by activities: | | | |
| Conservation reserve program (total costs—obligations) | | | \$32,000,000 |
| Financing: | | | |
| Proposed supplemental appropriation | | | 32,000,000 |

Under proposed legislation, 1961.—Legislation is being proposed to extend through the 1963 crop-year the Secretary's authority to enter into contracts for removing additional cropland from production, and to increase the statutory ceiling on amounts that may be paid to farmers in a calendar year from \$450 to \$600 million. The proposed legislation would provide specific authority for the Secretary of Agriculture to give special consideration, in formulating the 1961–63 programs, to areas where it is desirable to discourage the production of wheat and other surplus crops.

A program of \$500 million is contemplated for the 1961 crop-year, consisting of \$330 million for annual rental payments on 1960 and prior contracts and \$170 million for new 1961 contracts. This would provide for removing about 9 million additional acres from production, making a total of about 37 million acres in the program through the crop-year 1961. A supplemental appropriation of \$32 million will be required in the fiscal year 1961 for practice payments to farmers and ranchers and for operating expenses.

COMMODITY CREDIT CORPORATION

Current authorizations:

RESTORATION OF CAPITAL IMPAIRMENT

To partially restore the capital impairment of the Commodity Credit Corporation determined by the [Appraisals] appraisals of June 30, [1958], and June 30, 1960, pursuant to section 1 of the Act of March 8, 1938, as amended (15 U.S.C. 713a-1), [\$1,435,424,413] \$1,325,000,000. (Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.)

Appropriated 1960, \$1,435,424,413 Estimate 1961, \$1,325,000,000

COMMODITY CREDIT CORPORATION—Continued**Current authorizations—Continued****REIMBURSEMENT TO COMMODITY CREDIT CORPORATION FOR COSTS OF SPECIAL ACTIVITIES**

To reimburse the Commodity Credit Corporation for authorized unrecovered costs through June 30, [1959] 1960 (including interest through date of recovery), as follows: (1) [§\$63,875,000] \$49,042,000 under the International Wheat Agreement Act of 1949, as amended (7 U.S.C. 1641–1642); (2) [§104,508,000] \$115,000,000 for commodities disposed of for emergency famine relief to friendly peoples pursuant to title II of the Act of July 10, 1954, as amended (7 U.S.C. 1703, 1721–1724); (3) [§968,016,000] \$881,000,000 for the sale of surplus agricultural commodities for foreign currencies pursuant to title I of the Act of July 10, 1954, as amended (7 U.S.C. 1701–1709); (4) \$35,000 for grain made available to the Secretary of the Interior to prevent crop damage by migratory waterfowl pursuant to the Act of July 3, 1956 (7 U.S.C. 442–446); (5) [§129,000,000] \$422,950,000 for strategic and other materials acquired by the Commodity Credit Corporation as a result of barter or exchange of agricultural commodities or products and transferred to the supplemental stockpile pursuant to Public Law 540, Eighty-fourth Congress (7 U.S.C. 1856); and (6) [\$1,056,500 for transfers to the appropriation "Diseases of animals and poultry" pursuant to authority contained under such head in the Department of Agriculture and Farm Credit Administration Appropriation Act, 1959; and (7) §1,607,000] \$715,000 for transfers to the appropriation "Marketing research and service" pursuant to the Act of August 31, 1951 (7 U.S.C. 414a), for grading tobacco and classing cotton without charge to producers, as authorized by law (7 U.S.C. 473a, 511d): *Provided, That the amounts provided herein may remain available until expended for the purposes for which appropriated but without regard to the year in which the unrecovered costs were incurred.* (73 Stat. 279, 600, 606; Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.)

Appropriated 1960, \$1,268,097,500 Estimate 1961, \$1,468,742,000

Permanent authorizations:**REIMBURSEMENT TO COMMODITY CREDIT CORPORATION, NATIONAL WOOL ACT**

Appropriation 1960, \$50,050,313 Estimate 1961, \$51,000,000

NOTE.—Expenditures from the following fund for 1960 are subject to the first paragraph of title II of the Department of Agriculture and Farm Credit Administration Appropriation Act, 1960. For 1961 this paragraph is shown in the Department of Agriculture chapter, p. 357, preceding Federal Crop Insurance Corporation fund.

Public enterprise funds:**COMMODITY CREDIT CORPORATION FUND****Program and Financing**

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|---------------|---------------|---------------|
| Program by activities: | | | |
| PRICE SUPPORT, SUPPLY, AND RELATED PROGRAMS AND SPECIAL MILK: | | | |
| 1. Price support program (Commodity Credit Corporation nonrecourse loan, purchase, and payment programs): | | | |
| Direct loan commitments | \$521,831,730 | \$230,000,000 | \$265,000,000 |
| Guaranteed loan commitments | 3,002,682,349 | 1,824,848,116 | 1,560,939,500 |
| Purchases of commodities and other obligations | 1,378,399,396 | 3,007,352,983 | 3,055,652,178 |
| Other obligations | 6,645,686 | 2,612,000 | 2,500,000 |
| Total price support program | 4,909,559,161 | 5,064,813,099 | 4,884,091,678 |
| 2. Commodity export program: ¹ | | | |
| Equalization payments | 151,095,380 | 284,500,142 | 240,772,000 |
| Purchases and other costs | 9,991,737 | 12,610,000 | 12,274,000 |
| 3. Storage facilities program: | | | |
| Direct loan commitments | 20,865,273 | 12,125,081 | 13,600,000 |
| Guaranteed loan commitments | 43,722 | | |
| Purchases of storage facilities and equipment | 689,466 | 30,000,000 | 30,000,000 |
| Other expense | 86,380 | 65,000 | 65,000 |
| 4. Supply and foreign purchase program | 1,186,445 | 1,116,152 | 1,045,298 |

¹ Includes costs represented by the value of commodities transferred from price support program.

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|---------------|---------------|---------------|
| Program and Financing—Continued | | | |
| Program by activities—Continued | | | |
| PRICE SUPPORT, SUPPLY, AND RELATED PROGRAMS AND SPECIAL MILK—continued | | | |
| 5. Special milk program (including administrative expense) | \$75,932,962 | \$81,000,000 | \$85,000,000 |
| 6. Undistributed expense: | | | |
| Administrative expenses, subject to limitation (excluding special milk): | 37,615,883 | 42,739,900 | 43,844,900 |
| Interest: | | | |
| Treasury | 181,409,322 | 482,875,000 | 503,000,000 |
| Other | 11,129,085 | 20,863,000 | 27,163,000 |
| Other expense | 33,425,522 | 30,972,974 | 15,038,446 |
| Purchase of administrative equipment | 916,980 | 600,000 | 600,000 |
| Total, price support, supply, and related programs and special milk | 5,433,947,318 | 6,064,280,348 | 5,856,494,322 |
| SPECIAL ACTIVITIES FINANCED BY COMMODITY CREDIT CORPORATION (see schedule): | | | |
| 7. Operating costs: | | | |
| Commodities transferred from price support program | 757,268,843 | 663,653,824 | 582,919,000 |
| Other operating costs: | | | |
| Interest on balance recoverable | 29,543,251 | 36,844,541 | 50,259,000 |
| Other program and administrative costs | 895,275,862 | 900,212,619 | 1,038,247,000 |
| Total other operating costs | 924,819,113 | 937,057,160 | 1,088,506,000 |
| Total operating costs, funded | 1,682,087,956 | 1,600,710,984 | 1,671,425,000 |
| 8. Capital outlay: Loans made for agricultural conservation purposes (funded) | 40,000,000 | 38,200,000 | 19,200,000 |
| Total, special activities financed by Commodity Credit Corporation | 1,722,087,956 | 1,638,910,984 | 1,690,625,000 |
| Total program (obligations) | 7,156,035,274 | 7,703,191,332 | 7,547,119,322 |
| Financing: | | | |
| Amounts becoming available: | | | |
| PRICE SUPPORT, SUPPLY, AND RELATED PROGRAMS AND SPECIAL MILK: | | | |
| Appropriation for restoration of capital impairment: | | | |
| Enacted or recommended in this document | 1,760,399,886 | 1,435,424,413 | 1,325,000,000 |
| Proposed for later transmission under existing legislation | | 675,000,000 | |
| Receipts and recoveries from operations: | | | |
| 1. Price support program: | | | |
| Repayment of loans: Direct: | | | |
| To Commodity Credit Corporation | 673,490,769 | 818,482,660 | 816,069,400 |
| Loans transferred to accounts receivable | 848,876 | | |
| Sales of commodities ² | 1,656,673,460 | 2,815,348,817 | 2,486,963,650 |
| Other revenue and receipts | 15,428,189 | 1,050,000 | 865,000 |
| Recovery of prior year obligations | 182,261,712 | 152,644,000 | 178,409,000 |
| Total, price support program | 2,528,703,006 | 3,787,525,477 | 3,482,307,050 |
| 2. Commodity export program: | 2,345 | | |
| 3. Storage facilities program: | | | |
| Repayment of loans: | | | |
| Direct: To Commodity Credit Corporation | 10,270,910 | 10,700,000 | 10,700,000 |
| Guaranteed: To lending agencies | 1,143,828 | | |
| Loans transferred to accounts receivable | 269,868 | 310,000 | 310,000 |
| Other revenue | 47,224 | | |
| 4. Supply and foreign purchase program: Revenue | 1,311,232 | 1,450,615 | 1,170,298 |
| 5. Special milk program: Revenue (recoveries) | 1,265,068 | 1,141,900 | 1,341,900 |
| 6. Undistributed: | | | |
| Interest | 45,593,253 | 60,550,541 | 68,909,000 |
| Other | 1,134,049 | 1,298,500 | 1,313,200 |
| Recovery of prior year obligations | 480,132 | | |
| Total, receipts and recoveries from operations | 2,590,220,915 | 3,862,977,033 | 3,566,051,448 |
| Total, price support, supply, and related programs and special milk | 4,350,620,801 | 5,973,401,446 | 4,891,051,448 |

² Sales under the price support program include the value of (a) transfers of commodities to special activities financed by Commodity Credit Corporation, (b) transfers of commodities to commodity export program for resale or for delivery against payment-in-kind certificates, (c) transfers of strategic and critical materials acquired under barter contracts to the supplemental stockpile and (d) sales to processors under contracts providing that the Corporation will repurchase the commodities in another form.

Program and Financing—Continued

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|-----------------|-----------------|-----------------|
| Financing—Continued | | | |
| Amounts becoming available—Con. | | | |
| SPECIAL ACTIVITIES FINANCED BY COMMODITY CREDIT CORPORATION (see schedule): | | | |
| Appropriations: | | | |
| Reimbursement to Commodity Credit Corporation for costs of special activities----- | \$1,336,754,811 | \$1,268,097,500 | \$1,468,742,000 |
| Reimbursement to Commodity Credit Corporation, National Wool Act (permanent indefinite authorization)----- | 24,453,099 | 50,050,313 | 51,000,000 |
| Total appropriations----- | 1,361,207,910 | 1,318,147,813 | 1,519,742,000 |
| Unobligated balance no longer available: Reimbursement to Commodity Credit Corporation for costs of special activities----- | | -25,412,562 | ----- |
| Total appropriations, net----- | 1,361,207,910 | 1,292,735,251 | 1,519,742,000 |
| Revenue and receipts: | | | |
| Recoverable from other than special appropriations to reimburse Commodity Credit Corporation----- | 133,740,411 | 248,314,986 | 201,860,000 |
| Repayment of loans for agricultural conservation purposes----- | 33,000,000 | 36,900,000 | 30,800,000 |
| Total revenue and receipts----- | 166,740,411 | 285,214,986 | 232,660,000 |
| Total, special activities financed by Commodity Credit Corporation----- | 1,527,948,321 | 1,577,950,237 | 1,752,402,000 |
| Total amounts becoming available----- | 5,878,569,122 | 7,551,351,683 | 6,643,453,448 |
| Unobligated balance brought forward (authorization to expend from public debt receipts)----- | 2,505,668,997 | 1,228,202,845 | 1,076,363,196 |
| Total amounts available----- | 8,384,238,119 | 8,779,554,528 | 7,719,816,644 |
| Unobligated balance carried forward (authorization to expend from public debt receipts)----- | -1,228,202,845 | -1,076,363,196 | -172,697,322 |
| Financing applied to program----- | 7,156,035,274 | 7,703,191,332 | 7,547,119,322 |

The Commodity Credit Corporation engages in buying, selling, lending, and other activities with respect to agricultural commodities, their products, food, feeds, and fibers, for the purpose of stabilizing, supporting, and protecting farm income and prices; assisting in the maintenance of balanced and adequate supplies of such commodities; and facilitating their orderly distribution. The Corporation also makes available materials and facilities required in connection with the production and marketing of such commodities.

The Corporation has an authorized capital stock of \$100 million held by the United States, and authority to borrow up to \$14.5 billion.

Programs.—The budget is based on the following types of programs: (a) price support, (b) commodity export, (c) storage facilities, (d) supply and foreign purchase (e) special milk program, and (f) special activities.

Obligations and expenditures for these programs include primarily loans, purchases, purchase agreements, carrying charges, incentive and other payments, operating and interest expenses, and advances and current obligations incident to special activities as authorized by specific legislation.

Budget assumptions.—The Corporation's budget estimates for 1960 and 1961 are based on the general assumptions (a) that employment, production, and national income will rise moderately both in 1960 and 1961 from the present level; (b) that prices will change little, on the average, from the present level; (c) that developments in international relations will not be such as to affect Government civilian programs generally; (d) that exports of agricultural products generally will be slightly higher than the 1959 level; (e) that acreage allotments and marketing quotas will be in effect for the 1960 crops of peanuts, rice,

wheat, cotton and certain kinds of tobacco; (f) that acreage under the 1960 crop choice B cotton program will be about the same as that for the 1959 crop; and (g) that yields will be in line with recent averages.

In considering these estimates, it should be recognized that it is difficult to estimate requirements for the year ending June 30, 1961. They are dependent upon weather conditions and all other factors affecting volume of production of crops not yet planted in this country and abroad, economic conditions generally, food needs in occupied areas and other foreign countries, availability of dollar exchange, and other complex and unpredictable factors.

PRICE SUPPORT, SUPPLY, AND RELATED PROGRAMS AND SPECIAL MILK

1. *Price-support program.*—Price-support operations are carried out under the Corporation's charter powers (15 U.S.C. 714), in conformity with the Agricultural Act of 1949 (7 U.S.C. 1421), the Agricultural Act of 1954 (7 U.S.C. 1741), which includes the National Wool Act of 1954, the Agricultural Act of 1956 (7 U.S.C. 1442), the Agricultural Act of 1958 and with respect to certain types of tobacco, in conformity with the act of July 28, 1945, as amended (7 U.S.C. 1312). Under the Agricultural Act of 1949, price support is mandatory for the basic commodities—corn, cotton, wheat, rice, peanuts, and tobacco—and specific nonbasic commodities, namely, tung nuts, honey, milk, butterfat, and the products of milk and butterfat. Under the Agricultural Act of 1958, as producers of corn voted in favor of the new price-support program for corn authorized by that act, price support is mandatory for barley, oats, rye, and grain sorghums. Price support for wool and mohair is mandatory under the National Wool Act of 1954, through the marketing year ending March 31, 1962. Price support for other nonbasic agricultural commodities is discretionary except that whenever the price of either cottonseed or soybeans is supported, the price of the other must be supported at such level as the Secretary determines will cause them to compete on equal terms on the market. This program may also include operations to remove and dispose of or aid in the removal or disposition of surplus agricultural commodities for the purpose of stabilizing prices at levels not in excess of permissible price-support levels. Legislation will be proposed to the Congress to make the necessary changes in the price-support program, especially for wheat, to reduce the heavy demands of the program on the Federal Treasury.

Price support is made available through loans, purchase agreements, purchases, and other operations, and, in the case of wool and mohair, through incentive payments based on marketings. The producers' commodities serve as collateral for price-support loans. With limited exceptions, price-support loans are nonrecourse and the Corporation looks only to the pledged or mortgaged collateral for satisfaction of the loan. Under a provision of the 1960 Appropriation Act (Public Law 86-80) nonrecourse price support to any person on the 1960 production of any agricultural commodity declared by the Secretary of Agriculture to be in surplus supply is limited to \$50,000. Exceptions are made if (a) such person reduces his production from the preceding year by a maximum of 20% or (b) if the borrower agrees to repay all amounts advanced in excess of \$50,000 within a specified period. This limitation will expire June 30, 1960, unless continued by other legislation. Purchase agreements generally are available during the same period that loans are available. By sign-

COMMODITY CREDIT CORPORATION—Continued**Public enterprise funds—Continued****COMMODITY CREDIT CORPORATION FUND—Continued**

ing a purchase agreement, a producer receives an option to sell to the Corporation any quantity of the commodity which he may elect within the maximum specified in the agreement.

In all its price-support operations the Corporation utilizes normal trade facilities to the maximum extent practicable. In its lending activities the Corporation uses local banks, cooperatives, and other financial institutions. Commercial storage facilities are used to a great extent in the storage of loan collateral and in the storage of stocks acquired by the Corporation.

Disposition of commodities acquired by the Corporation in its price-support operations is made in compliance with sections 202, 407, and 416 of the Agricultural Act of 1949, and other applicable legislation, particularly the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691) as amended (Public Law 480), title I of the Agricultural Act of 1954 as amended, title II of the Agricultural Act of 1956 as amended, the Agricultural Act of 1958, the act of August 19, 1958, in the case of cornmeal and wheat flour and the act of September 21, 1959 (73 Stat. 574), with respect to sale of livestock feed in emergency areas. Public Law 480, as amended, authorizes the establishment by the Secretary, beginning February 1, 1960, and ending January 31, 1962, of a food stamp system of surplus food distribution to the needy to assist in disposing of food commodities acquired by the Corporation. The cost of such program may not exceed \$250 million for any 12-month period.

To the extent that price-support commodities are disposed of through the commodity export program and special activities, such as sales for foreign currencies, the furnishing of commodities for various purposes, and similar operations, these disposals are for accounting purposes treated as price-support program disposals.

DATA ON PRICE-SUPPORT PROGRAM

(In millions)

| | <i>1959 actual</i> | <i>1960 estimate</i> | <i>1961 estimate</i> |
|---|--------------------|----------------------|----------------------|
| Loans made..... | \$3,525 | \$2,055 | \$1,826 |
| Loans repaid..... | 674 | 819 | 816 |
| Loan collateral forfeited..... | 1,973 | 2,059 | 1,364 |
| Loans outstanding June 30..... | 2,448 | 1,625 | 1,271 |
| Acquisitions..... | 3,355 | 5,090 | 4,400 |
| Cost of goods sold..... | 2,308 | 3,718 | 3,275 |
| Donations..... | 302 | 249 | 229 |
| Inventory as of June 30..... | 6,200 | 7,323 | 8,219 |
| Investment in price support as of June 30.... | 8,648 | 8,948 | 9,490 |
| Net expenditures..... | 2,608 | 1,080 | 1,569 |
| Realized losses..... | 805 | 980 | 899 |

2. *Commodity export program.*—The Corporation promotes the export of agricultural commodities and products through sales, barter, payments, and other operations. Such commodities and products may be those held in private trade channels as well as those in Commodity Credit Corporation's inventory. This program is carried out under the authority contained in the Corporation's charter, particularly sections 5(d) and 5(f), and in accordance with specific statutes where applicable, such as sections 407 and 416 of the Agricultural Act of 1949, the International Wheat Agreement Act of 1949 (7 U.S.C. 1641), the Agricultural Trade Development and Assistance Act of 1954, title I of the Agricultural Act of 1954 and title II of the Agricultural Act of 1956. In general, transactions involving foreign currencies are conducted pursuant to the Agricultural Trade Development and Assistance

Act of 1954, as amended. However, other such transactions may be conducted under the charter authority.

Obligations under the International Wheat Agreement and titles I, II, and IV of the Agricultural Trade Development and Assistance Act of 1954, as amended, are paid by the Corporation subject to reimbursement from appropriations authorized for such purpose.

Currently, in addition to the exports under the International Wheat Agreement, Commodity Credit Corporation wheat is available for export trade under barter programs of Commodity Credit Corporation at competitive world prices and is also made available to exporters in payment of the price differential between the prevailing world export sales price and the domestic market price which is earned on exports of free-market wheat outside the International Wheat Agreement and under this agreement. Cash payments are made on all exports of wheat flour either under the International Wheat Agreement or outside the agreement. Wheat and flour payments outside the Agreement are made on exports to countries not participating in the Agreement.

In order to encourage movement of cotton, corn, barley, grain sorghums, oats, rye, and rice from free-market supplies into export channels, export payments are made in the form of these commodities from the Corporation's stocks.

Cotton held in the Corporation's inventory is also sold for unrestricted use on a competitive price basis. The Corporation also conducts a cotton products export program designed to protect the competitive position of the domestic cotton industry in relation to sales of cotton products manufactured abroad from American cotton purchased at export prices. Equalization payments, based on the raw cotton content in the products exported, are made to exporters on cotton products of upland cotton grown and wholly processed in the United States.

The Corporation also furnishes agricultural commodities and products for distribution or exhibition at international trade fairs to aid in the development of foreign markets for such commodities.

3. *Storage facilities program.*—This program is carried out under the authority contained in the Corporation's charter, particularly sections 4(h), 4(m), and 5 (a) and (b). The Corporation (a) purchases and maintains (in storage deficient areas) granaries and equipment for care and storage of grain owned or controlled by the Corporation; (b) makes loans for the construction or expansion of farm-storage facilities; (c) provides storage-use guarantees to encourage the construction of commercial storage facilities; and (d) undertakes other operations necessary to provide storage adequate to carry out the Corporation's programs.

4. *Supply and foreign purchase program.*—This program is carried out under the authority contained in the Corporation's charter, particularly sections 5 (b) and (c) thereof. The Corporation procures foods, agricultural commodities, their products, and related materials to supply the requirements of Government agencies, foreign governments, and relief and rehabilitation agencies, and to meet domestic requirements. Foods, agricultural commodities and their products are procured or aid is given in their procurement to facilitate distribution or to meet anticipated requirements during periods of short supply. The Corporation may also, through purchases, loans, sales or other means, make available materials and facilities required in connection with the production and marketing of agricultural commodities.

Operations involving procurement for other Government agencies are conducted in accordance with section 4 of the act of July 16, 1943 (15 U.S.C. 713a-9), which requires that the Corporation be fully reimbursed for services performed, losses sustained, operating costs incurred, or commodities purchased or delivered to or on behalf of any other Government agency from the appropriate funds of such agency. Operations not subject to section 4 of the act may involve losses if such are necessary to the accomplishment of the objectives of the particular operation.

The main activities now carried on are procurement of commodities for the International Cooperation Administration, and initial financing of certain programs authorized under the Defense Production Act to assure adequate supplies of strategic and critical materials. The latter programs are currently in liquidation.

Loan operations.—The following table reflects the loan operations of the Corporation applicable to the preceding programs.

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|-----------------|-----------------|-----------------|
| Loans outstanding, gross, beginning of year: | | | |
| Commodity Credit Corporation..... | \$1,171,908,623 | \$2,250,754,663 | \$1,244,998,107 |
| Lending agencies..... | 183,547,886 | 916,490 | ----- |
| Certificates of interest..... | 244,499,383 | 228,631,115 | 414,000,000 |
| Total, loans outstanding, gross, beginning of year..... | 1,599,955,892 | 2,480,302,268 | 1,658,998,107 |
| Add loans made..... | 3,542,788,688 | 2,068,448,116 | 1,839,539,500 |
| Deduct— | | | |
| Loans repaid..... | 684,905,507 | 829,182,660 | 826,769,400 |
| Acquisition of loan collateral..... | 1,973,291,072 | 2,059,314,617 | 1,363,389,600 |
| Transfers to accounts receivable..... | 1,118,744 | 310,000 | 310,000 |
| Writeoffs..... | 3,126,989 | 945,000 | 550,000 |
| Total, loans outstanding, gross, end of year..... | 2,480,302,268 | 1,658,998,107 | 1,307,518,607 |
| Loans outstanding end of year: | | | |
| Commodity Credit Corporation..... | 2,250,754,663 | 1,244,998,107 | 1,036,518,607 |
| Lending agencies..... | 916,490 | ----- | ----- |
| Certificates of interest..... | 228,631,115 | 414,000,000 | 271,000,000 |
| Total, loans outstanding, gross, end of year..... | 2,480,302,268 | 1,658,998,107 | 1,307,518,607 |
| Deduct allowance for losses..... | 407,183,000 | 240,188,000 | 198,473,000 |
| Loans receivable, net (price support and storage facilities)..... | 2,073,119,268 | 1,418,810,107 | 1,109,045,607 |

Inventory operations.—The following table reflects the inventory operations applicable to the preceding programs.

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|-----------------|-----------------|-----------------|
| AGRICULTURAL COMMODITIES | | | |
| On hand, start of year..... | \$5,233,987,750 | \$6,131,144,569 | \$7,308,386,916 |
| Acquisitions: | | | |
| Forfeiture of loan collateral..... | 1,973,290,685 | 2,059,314,617 | 1,363,389,600 |
| Excess of collateral acquired over loans canceled..... | 87,076,550 | 66,832,266 | 72,494,400 |
| Purchases..... | 498,382,760 | 2,003,486,401 | 1,950,810,298 |
| Transfers and exchanges, net..... | -13,223,751 | 781,558,468 | 888,513,778 |
| Carrying charges..... | 653,223,805 | ----- | ----- |
| Total, acquisitions..... | 3,198,750,049 | 4,911,191,752 | 4,275,208,076 |
| Dispositions: | | | |
| Donations to— | | | |
| Veterans Administration and Armed Forces..... | 41,264,324 | 29,365,000 | 24,055,000 |
| Emergency feed program..... | 509,599 | 4,699,000 | 4,764,000 |
| Needy persons, domestic..... | 80,169,375 | 93,907,483 | 75,047,000 |
| Needy persons, foreign (excluding title II, Public Law 480)..... | 178,669,760 | 120,905,000 | 125,145,000 |
| Research, experimentation, education, etc..... | 1,127,831 | 373,000 | 255,000 |
| Total, donations..... | 301,741,389 | 249,249,483 | 229,266,000 |
| Sales and transfers: | | | |
| Bartered for strategic materials..... | 127,203,767 | 130,726,400 | 96,329,000 |
| Special programs: | | | |
| International Wheat Agreement..... | 28,356,964 | 35,680,000 | 50,370,000 |
| Title I, Public Law 480..... | 355,380,927 | 321,875,881 | 334,094,000 |
| Title II, Public Law 480..... | 58,786,032 | 68,840,500 | 71,720,000 |
| Migratory waterfowl feed..... | 17,363 | 35,000 | 35,000 |
| Total special programs..... | 442,541,286 | 426,431,381 | 456,219,000 |
| Commodity export program, payment-in-kind deliveries and other transfers..... | 88,921,755 | 235,852,000 | 201,203,000 |
| Other sales..... | 826,287,778 | 1,948,254,389 | 1,715,418,948 |
| Net loss on sales and transfers..... | 514,897,255 | 743,435,752 | 680,841,754 |
| Total, sales and transfers..... | 1,999,851,841 | 3,484,699,922 | 3,150,011,702 |
| Total, dispositions..... | 2,301,593,230 | 3,733,949,405 | 3,379,277,702 |

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|-----------------|-----------------|-----------------|
| AGRICULTURAL COMMODITIES—continued | | | |
| On hand, end of year..... | \$6,131,144,569 | \$7,308,386,916 | \$8,204,317,290 |
| Less allowance for losses..... | 2,587,027,000 | 3,044,763,000 | 3,308,267,000 |
| On hand, end of year, net..... | 3,544,117,569 | 4,263,623,916 | 4,896,050,290 |
| STRATEGIC AND CRITICAL MATERIALS | | | |
| On hand, start of year..... | 221,597,154 | 69,951,145 | 15,000,000 |
| Acquisitions: | | | |
| Delivered by barter contractors..... | 152,086,635 | 174,521,298 | 120,000,000 |
| Carrying charges..... | 5,271,098 | 5,500,000 | 5,500,000 |
| Total, acquisitions..... | 157,357,733 | 180,021,298 | 125,500,000 |
| Dispositions: | | | |
| National stockpile and other agencies..... | 61,245 | ----- | ----- |
| Special program: Supplemental stockpile..... | 314,727,557 | 237,222,443 | 126,700,000 |
| Difference between cost and transfer value..... | -5,785,060 | -2,250,000 | -1,200,000 |
| Total, dispositions..... | 309,003,742 | 234,972,443 | 125,500,000 |
| On hand, end of year..... | 69,951,145 | 15,000,000 | 15,000,000 |
| Less allowance for losses..... | 46,000 | ----- | ----- |
| On hand, end of year, net..... | 69,905,145 | 15,000,000 | 15,000,000 |

5. Special milk program.—Public Law 85-478 (7 U.S.C. 1446 note), as amended, authorized the use of not to exceed \$81 million for 1960 and \$84 million for 1961, of Commodity Credit Corporation funds to increase the consumption of fluid milk by children in nonprofit schools of high-school grade and under and in nonprofit nursery schools, child-care centers, settlement houses, summer camps, and similar nonprofit institutions devoted to the care and training of children. The act further provides that amounts spent shall not be considered expended for the purpose of carrying out the price-support program.

6. Undistributed expenses.—There are a number of expenses which are not allocated to a specific program. These include interest on the capital stock of the Corporation, on borrowings from Treasury, and on other obligations evidencing loans made by lending agencies, administrative expenses, and other miscellaneous costs, including expenses of the agricultural stabilization and conservation county committees, and Federal Reserve banks in connection with the Corporation's programs.

Administrative expenses are for the operating staff, including the services of employees of the Commodity Stabilization Service engaged in Commodity Credit Corporation activities, services performed by other agencies of the Department, costs of audit, and payments to the General Services Administration for space in the District of Columbia and rent of field office space. Also included, for the first time, are funds for the International Cooperation Administration for services including program screening and end-use audit of the foreign donation program under section 416 of the Agricultural Act of 1949. Estimates for 1961 include a limitation of \$48,428,000 for costs of administration including a reserve of not less than 7% for contingencies. The requested authorization excludes administrative expenses in connection with the supply and foreign purchase program, the wool and mohair program under the National Wool Act of 1954, the International Wheat Agreement, and the sale of long staple cotton transferred from the national stockpile, since it is contemplated that full reimbursement will be received for these expenses. Such reimbursement will be obtained and used in 1961 in the same manner as in previous years.

Expenses in connection with the acquisition, operation, maintenance, improvement, or disposition (including inspection, classing, and grading work performed on a fee basis by Federal employees or Federal- or State-licensed inspectors and work performed on a contract basis by agricultural stabilization and conservation county committees) of property which the Corporation owns or in

COMMODITY CREDIT CORPORATION—Continued**Public enterprise funds—Continued****COMMODITY CREDIT CORPORATION FUND—Continued**

which it has an interest have been treated as program rather than administrative expenses. Similarly, expenses of other Federal agencies whose services are utilized in the handling of Commodity Credit Corporation property are treated as program expenses. Such expenses would include the fleet storage operation of the Maritime Administration conducted intermittently since 1949 and the services rendered by the General Services Administration in connection with the strategic, critical, and other materials acquired by the Corporation.

SPECIAL ACTIVITIES FINANCED BY COMMODITY CREDIT CORPORATION

7. Special activities.—These activities are carried out under authority of section 5(g) of the Corporation's charter and specific statutory authorizations or directives with respect thereto which are currently in effect or which may subsequently be enacted.

Except with respect to the activities set forth in items (11) and (12) where losses, if any, would be recovered through the general restoration of capital impairment, the Corporation receives reimbursement for costs of these activities through regular appropriations. Appropriations to reimburse the Corporation for 1956 and prior years' costs of such activities have been included in the regular appropriations to the Department for the second year following the year in which the costs were incurred. The 1957 and 1958 costs were recovered through supplemental appropriations in 1958 and 1959, respectively. The 1961 estimate for 1960 costs continues the acceleration of the time of recovery by the Commodity Credit Corporation to minimize the possibility that the Corporation will not have sufficient borrowing authority to conduct its mandatory price-support operations. Reimbursement for 1961 costs will be requested in a later budget.

Activities currently being carried out are as follows:

(1) *International Wheat Agreement*—(7 U.S.C. 1641-1642).—This agreement, which was renewed for a period of 3 years effective August 1, 1959, operates to provide an assured market for wheat to exporting countries and assured supplies of wheat to importing countries at stable and equitable prices. The maximum and minimum prices in the 1959 agreement are \$1.90 and \$1.50 per bushel, respectively, for the basic grade of wheat, No. 1 Manitoba Northern, at Fort William/Port Arthur, Canada, in terms of Canadian currency at the parity for the Canadian dollar determined for the purposes of the International Monetary Fund as at March 1949. The agreement total quantity represents about 36% of world trade in wheat, yet the nine exporting member countries export inside and outside the agreement about 90% of all wheat moving in world trade.

Funds of Commodity Credit Corporation and its stocks of wheat are used to pay (a) the difference between the selling prices prevailing under the agreement and the domestic market price of wheat, and (b) administrative and interest costs. The payment of the differential between the prevailing sales price of wheat under the agreement and the market price is paid to the exporter in Commodity Credit Corporation stocks of wheat rather than in cash. A cash payment for this differential

is made for flour. The estimate for 1961 of \$49,042,000 provides for reimbursing the Corporation for costs incurred in 1960 when an estimated 82.5 million bushels of wheat and wheat flour will be exported under the agreement.

(2) *Emergency famine relief to friendly peoples.*—The Commodity Credit Corporation, through December 31, 1961, is directed, under title II of Public Law 480 (7 U.S.C. 1703, 1721-1724), to make its stocks of agricultural commodities available for emergency assistance to friendly peoples in meeting famine or other urgent relief requirements and to pay ocean freight charges for the shipment of donated commodities. Through June 30, 1959, commitments undertaken under this authority totaled \$546 million. Of this amount the value of commodities authorized for shipment totaled \$449 million of which more than three quarters, or \$340 million, was for grain, including rice. Actual commodity and freight costs incurred through June 30, 1959, were \$510 million. During 1960 and 1961, additional commodity and freight costs of \$113 million and \$117 million, respectively, are expected to be incurred under the program.

Appropriations are authorized to reimburse the Corporation for its costs in carrying out the program. Through December 31, 1959, a total of \$800 million was authorized. From January 1, 1960, \$300 million per calendar year is authorized through December 31, 1961, plus unused balances of the previous authorization. The estimate for 1961 of \$115 million provides such reimbursement for estimated operations during 1960.

It is estimated that total costs under this program will approximate \$760 million by June 30, 1961, and the following reflects the costs incurred in carrying out this program:

| Fiscal year | Program expenditures | Interest | Total |
|-------------------|----------------------|------------|--------------|
| 1955 | \$86,623,135 | \$273,329 | \$86,896,464 |
| 1956 | 91,277,033 | 2,307,966 | 93,584,999 |
| 1957 | 120,429,754 | 4,460,886 | 124,890,640 |
| 1958 | 116,001,011 | 5,444,617 | 121,445,628 |
| 1959 | 95,510,719 | 2,417,061 | 97,927,780 |
| 1960 (estimate) | 112,745,000 | 2,255,000 | 115,000,000 |
| 1961 (estimate) | 117,300,000 | 2,640,000 | 120,000,000 |
| Cumulative totals | 739,946,652 | 19,798,859 | 759,745,511 |

(3) *Sales of surplus agricultural commodities for foreign currencies.*—Under the Agricultural Trade Development and Assistance Act (7 U.S.C. 1701-1709), surplus agricultural commodities are sold for foreign currencies. These currencies may then be used within certain limitations by the United States Government for agricultural market development, purchase of strategic materials, military equipment facilities and services for the common defense, payment of U.S. obligations, military family housing, international education exchange, acquisition of quarters abroad, participation in fairs and related activities, medical and scientific activities, American-sponsored schools abroad, translation, publication and distribution of books and audio-visual educational materials abroad, analysis and estimation of foreign books, supporting workshops in American studies and educational techniques, emergency relief requirements other than surplus food commodities, acquisition of buildings and grounds abroad for U.S. Government use, and loans for multilateral trade and economic development. If appropriations are available for a purpose for which foreign currencies are used, the agency must buy the currency for dollars which are used to reimburse the Commodity Credit Corporation. Through June 30, 1959, 158 agreements had been signed with 38 countries for commodities representing an export market value of \$3,701.2 million, including ocean transportation of \$393.7 million. The major commodities

included were wheat, cotton, and fats and oils which together amounted to 77% of the total value of the agreements. Through that date commodities with an export market value of about \$2,810.1 million had been shipped. The total dollar equivalent of foreign currencies deposited in the Treasury through June 30, 1959, amounted to \$2,934,526,588.

Appropriations are authorized to reimburse the Corporation for its net costs in carrying out this program. Through December 31, 1959, a total of \$6.25 billion was so authorized. From January 1, 1960, \$1.5 billion per calendar year is authorized through December 31, 1961, plus unused balances of the previous authorization. The estimate in 1961 of \$881,000,000 covers estimated unreimbursed costs of operations through 1960 amounting to \$1,235,620,260 less \$354,620,260 representing the dollar equivalent of various foreign currencies received for agricultural commodities exported as of June 30, 1960, for which the Corporation may eventually be reimbursed in dollars or which may be used for military housing with subsequent reimbursement from net rental receipts.

The following table reflects the net costs incurred by Commodity Credit Corporation by years:

| Fiscal year | Program expenditures | Interest | Total |
|---|----------------------|-------------|---------------|
| 1955 | \$129,164,632 | \$355,528 | \$129,520,160 |
| 1956 | 616,968,458 | 7,263,254 | 624,226,712 |
| 1957 | 1,361,973,711 | 34,399,783 | 1,396,373,494 |
| 1958 | 1,089,007,675 | 55,710,312 | 1,144,717,987 |
| 1959 | 1,089,071,676 | 24,182,660 | 1,113,254,336 |
| 1960 (estimate) | 1,100,000,000 | 29,296,541 | 1,129,296,541 |
| 1961 (estimate) | 1,250,000,000 | 40,860,000 | 1,290,860,000 |
| Cumulative totals | 6,636,181,152 | 192,068,078 | 6,828,249,230 |
| Deduct sales of currencies and rental collections | 423,537,385 | ----- | 423,537,385 |
| Net Commodity Credit Corporation costs | 6,212,643,767 | 192,068,078 | 6,404,711,845 |
| Appropriations through June 30, 1961 | ----- | ----- | 4,877,849,228 |
| Unreimbursed costs, June 30, 1961 | ----- | ----- | 1,526,862,617 |

The following reflects the computation of the appropriations:

| | Program year | | |
|--|-----------------|-----------------|-----------------|
| | 1959 | 1960 | 1961 |
| Due at end of program year | \$1,148,505,355 | \$1,235,620,260 | \$1,526,862,617 |
| Less— | | | |
| Due from Department of Defense | 44,757,462 | 67,914,854 | 86,397,211 |
| Estimated to be recovered through sale of foreign currencies and net rental income from military housing | 135,731,893 | 286,705,406 | 351,465,406 |
| Subtotal | 180,489,355 | 354,620,260 | 437,862,617 |
| Appropriation: 1960, 1961, and 1962 | 968,016,000 | 881,000,000 | 1,089,000,000 |

The following reflects the utilization of the foreign currencies acquired under this program:

| | [In millions] | | |
|--|---------------|-----------|-----------|
| | 1959 | 1960 | 1961 |
| Foreign currency, start of year: | | | |
| Balance with Treasury | \$1,412.4 | \$1,661.4 | \$1,738.5 |
| Collections in transit to Commodity Credit Corporation | 6.4 | ----- | ----- |
| Receivable from foreign governments | 128.4 | 70.1 | 70.1 |
| Total | 1,547.2 | 1,731.5 | 1,808.6 |
| Commodities shipped: Commodity Credit Corporation cost: | | | |
| Commodity Credit Corporation-owned commodities | 355.4 | 321.9 | 334.1 |
| Private stocks financed by Commodity Credit Corporation including ocean transportation | 696.6 | 743.1 | 880.9 |
| Ocean freight differential | 37.1 | 35.0 | 35.0 |
| Interest expense | 24.2 | 29.3 | 40.9 |
| Total, Commodity Credit Corporation cost | 1,113.3 | 1,129.3 | 1,290.9 |
| Deduct— | | | |
| Ocean freight differential | 37.1 | 35.0 | 35.0 |
| Adjustment to export market value, including ocean transportation where applicable | 297.6 | 253.8 | 343.4 |
| Foreign currencies becoming due | 778.6 | 840.5 | 912.5 |

| | [In millions] | 1959 | 1960 | 1961 |
|--|---------------|---------|---------|------|
| Deduct foreign currency dispositions: | | | | |
| Received from Treasury sales | \$89.7 | \$69.2 | \$114.1 | |
| Expended by Defense for military family housing | 14.8 | 28.5 | 23.0 | |
| Expended by other agencies without reimbursement to Commodity Credit Corporation | 450.6 | 625.7 | 751.9 | |
| Adjustment due to difference in exchange rates | 39.2 | 40.0 | 40.0 | |
| Total, dispositions | 594.3 | 763.4 | 929.0 | |
| Foreign currency, end of year: | | | | |
| Balance with Treasury | 1,661.4 | 1,738.5 | 1,722.0 | |
| Receivable from foreign governments | 70.1 | 70.1 | 70.1 | |
| Total | 1,731.5 | 1,808.6 | 1,792.1 | |
| Less allowance for loss and future expenditures with reimbursement by special appropriations to Commodity Credit Corporation | 1,551.0 | 1,454.0 | 1,354.2 | |
| Recoverable from future sales of currencies and net receipts from military family housing | 180.5 | 354.6 | 437.9 | |

(4) *Long-term supply contracts.*—Under title IV of the Agricultural Trade Development and Assistance Act (73 Stat. 610), the President is authorized to make agreements with friendly nations under which the United States would deliver surplus commodities over periods of up to 10 years and accept payment in dollars with interest over periods of up to 20 years. The funds and assets of the Corporation are authorized to be used to carry out the provisions of title IV and appropriations are authorized to reimburse the Corporation therefor. Operating policies and plans have not yet been developed on which to base an estimate of possible activity under this title.

(5) *Transfer of Commodity Credit Corporation grain to Interior for migratory waterfowl feed.*—The Commodity Credit Corporation is directed to make available to the Secretary of the Interior (7 U.S.C. 442-446), such grain acquired through price-support operations and certified by the Commodity Credit Corporation to be available for such purposes or in such condition as to be undesirable for human consumption, as the Secretary of the Interior shall requisition.

During 1959, a total of 275 tons of Commodity Credit Corporation grain, with an investment value of \$17,363, were transferred under this program. It is estimated that 400 tons of grain will be transferred in each of 1960 and 1961 at a cost to Commodity Credit Corporation of \$35,000. The estimate for 1961 provides for reimbursement for operations during 1960.

(6) *Transfer of bartered materials to supplemental stockpile.*—The Commodity Credit Corporation is directed under title II of the Agricultural Act of 1956 (7 U.S.C. 1856) to transfer strategic and other materials acquired as a result of barter and exchange of agricultural commodities, other than those acquired for the national stockpile or for other purposes, to the supplemental stockpile. The act authorizes appropriations to reimburse the Corporation for amounts equal to the market value of materials transferred.

During 1959, materials valued at \$314,727,557 were transferred under this program. An estimated \$237,222,443 worth of materials will be transferred in 1960 and \$126,700,000 in 1961. The estimate for 1961 provides for reimbursement of \$422,950,000. Of this amount \$185,727,557 represents unrecovered 1959 transfers and \$237,222,443 are the estimated transfers to be made in 1960.

(7) *Grading and classing activities.*—The Commodity Credit Corporation makes advances to the Agricultural Marketing Service for classing and grading of agricultural commodities without charge to producers (7 U.S.C. 414a). Such advances used for classing cotton and grading tobacco not placed under price-support loan must be repaid from subsequent appropriations. An appropriation for 1961

COMMODITY CREDIT CORPORATION—Continued**Public enterprise funds—Continued****COMMODITY CREDIT CORPORATION FUND—Continued**

of \$715,000 is proposed for repaying advances to be received in 1960.

(8) *Soil bank program.*—Pursuant to section 120 of the Agricultural Act of 1956 (7 U.S.C. 1808) the Secretary of Agriculture utilizes the facilities of the Corporation for making payments to farmers under this program.

(9) *National Wool Act.*—Under the provisions of the National Wool Act of 1954, as amended, incentive payments are being used to encourage the annual domestic production of approximately 300 million pounds of shorn wool. Support of prices of wool and mohair is mandatory. Incentive payments are made to eligible producers on a percentage basis, reflecting the amount required to bring the national average received by all producers up to the announced incentive level. The incentive level shall not exceed 110% of parity. In a referendum conducted in September 1959, wool and lamb producers voted to continue the deduction from their incentive payment of an amount not to exceed 1 cent per pound of wool and 5 cents per hundredweight of unshorn lambs marketed. These funds financed promotional, advertising, and related market-development activities by the American Sheep Producers' Council, Inc., under an agreement with the Secretary of Agriculture.

COSTS OF THE NATIONAL WOOL ACT

| | <i>Fiscal year 1959 1957 market- ing year (actual)</i> | <i>Fiscal year 1960 1958 market- ing year (estimate)</i> | <i>Fiscal year 1961 1959 market- ing year (estimate)</i> |
|---|--|--|--|
| Volume of marketings: | | | |
| Shorn wool.....pounds.. | 152,213,400 | 295,000,000 | 251,900,000 |
| Unshorn lambs.....ewt.. | 10,515,600 | 10,500,000 | 11,000,000 |
| Incentive payments: | | | |
| Per pound, shorn wool.....cents.. | 8.3 | 25.6 | 21.0 |
| Per hundredweight, unshorn lambs cents.. | 33.0 | 102.0 | 84.0 |
| Incentive payments: | | | |
| Shorn wool.....\$12,633,712 | \$75,520,000 | \$52,899,000 | |
| Unshorn lambs.....3,470,164 | 10,710,000 | 9,240,000 | |
| Promotional and advertising pro- grams ¹(2,028,301) | (3,400,000) | (3,000,000) | |
| Total payments..... | 16,103,876 | 86,230,000 | 62,139,000 |
| Administrative expenses..... | 2,749,559 | 2,950,000 | 2,950,000 |
| Interest expense..... | 1,220,941 | 4,331,000 | 5,259,000 |
| Prior year adjustments (recoveries)..... | 20,074,376 | 93,511,000 | 70,348,000 |
| Total..... | 20,025,827 | 93,511,000 | 70,348,000 |

¹ Deductions from producer payments.

Total payments made under the National Wool Act cannot at any time exceed an amount equal to 70% of the accumulated totals, as of the same date, of the gross receipts from import duties collected on and after January 1, 1953, on wool and wool manufactures. Actual and estimated payments compared with this limitation are as follows:

| | <i>1959 actual</i> | <i>1960 estimate</i> | <i>1961 estimate</i> |
|---|--------------------|----------------------|----------------------|
| 70% of customs receipts on wool and wool manufactures cumulative from Jan. 1, 1953 (calendar years) (estimate)..... | \$291,034,432 | \$342,034,000 | \$393,034,000 |
| Cumulative incentive payments (fiscal years)..... | 125,640,083 | 211,870,083 | 274,009,083 |
| Balance of limitation available..... | 165,394,349 | 130,163,917 | 119,024,917 |

Funds of the Commodity Credit Corporation are used to carry on the wool incentive program. A permanent appropriation is provided to reimburse the Corporation, but the yearly amount is limited to 70% of all duties collected on wool and wool manufactures during the preced-

ing calendar year. Estimated costs and reimbursements to Commodity Credit Corporation during 1959, 1960, and 1961 are indicated in the following table:

| | <i>1959 actual</i> | <i>1960 estimate</i> | <i>1961 estimate</i> |
|---|--------------------|----------------------|----------------------|
| Due at beginning of year..... | \$88,803,121 | \$84,375,849 | \$127,836,536 |
| Costs for year: | | | |
| Program..... | 18,804,886 | 89,180,000 | 65,089,000 |
| Interest..... | 1,220,941 | 4,331,000 | 5,259,000 |
| Total..... | 20,025,827 | 93,511,000 | 70,348,000 |
| Total due..... | 108,828,948 | 177,886,849 | 198,184,536 |
| Reimbursement to Commodity Credit Corporation..... | 24,453,099 | 50,050,313 | 51,000,000 |
| Due Commodity Credit Corporation at end of year..... | 84,375,849 | 127,836,536 | 147,184,536 |
| Less— | | | |
| Amount recovered from permanent approp- riation (70% of customs receipts)..... | 24,453,099 | 50,050,313 | 51,000,000 |
| Balance due Commodity Credit Corpora- tion recoverable from subsequent years' customs receipts..... | 9,872,437 | 26,786,223 | 45,184,536 |
| Appropriation: 1960, 1961, and 1962..... | 50,050,313 | 51,000,000 | 51,000,000 |

(10) *Loans to Secretary of Agriculture for conservation program.*—Under section 391(c) of the Agricultural Act of 1938, as amended (7 U.S.C. 1391), the Corporation advances funds to the Secretary in amounts not to exceed \$50 million annually to purchase conservation materials and services. Repayments of the loans plus interest are made as soon as practicable in the succeeding fiscal year from appropriated funds.

(11) *Military housing (Public Law 84-161 (5 U.S.C. 171z-1)).*—During 1957 a contract was completed for the disposition of Commodity Credit Corporation-owned commodities valued at \$50 million for the construction of military housing in France with foreign currencies obtained from this transaction. Proceeds from rental and quarters allowances will be paid by the Department of Defense over a long period of years to reimburse the Corporation pursuant to Public Law 84-161.

(12) *Transfer of long-staple cotton from national stockpile for sale by Commodity Credit Corporation.*—Public Law 85-96, approved July 10, 1957 (71 Stat. 290), authorizes the transfer of 50,000 bales of domestically grown extra long-staple cotton from the national stockpile to the Corporation for sale. Proceeds less costs incurred, including administrative expenses, are covered into the Treasury as miscellaneous receipts.

FINANCING THE PROGRAMS

Financing.—The programs of the Commodity Credit Corporation are financed by capital stock, borrowings, guarantees to purchase notes or other obligations evidencing loans made by leading agencies, issuance of certificates of interest in loans held by the Corporation, restoration of capital impairment, appropriations to reimburse the Corporation for costs of special activities, and receipts from operations.

Borrowing authority.—The Corporation has an authorized capital stock of \$100,000,000 held by the United States, and authority to borrow up to \$14,500,000,000.

Funds are borrowed from Treasury and may also be borrowed from private lending agencies. During the fiscal year 1960, the Corporation extended its certificate of interest method of financing cotton and grain loans to all commodity loans held by the Corporation. It is contemplated that this plan will continue in effect in the fiscal year 1961. All bonds, notes, debentures, and similar obligations issued by the Corporation are subject to approval by the Secretary of the Treasury as required by the act of March 8, 1938 (15 U.S.C. 713a-4). Interest

on borrowings from the Treasury (and on capital stock) is paid in accordance with a policy of the Treasury that the rate shall be based upon the average interest rate on all outstanding marketable obligations (of comparable maturity date) of the United States as of the preceding month. In connection with loan guarantees and certificates of interest, the Corporation reserves a sufficient amount of its borrowing authority to purchase at any time all notes and other obligations evidencing loans made or certificates held by lending agencies. Interest is also paid on these obligations for the period the agencies have their funds invested. Currently, the interest rate paid is below that paid on Treasury borrowings. An appropriation in 1961 to reimburse the Corporation for funds used for 1960 costs of special programs and certain advances to other agencies is included in the estimates.

On the basis of the budgetary assumptions heretofore described, the consequent estimated program requirements currently indicate a need for additional borrowing authority late in 1960 to provide a desirable margin of safety for operations of the Corporation. By May and June 1961, however, the available balance of borrowing authority will be at a low level. There are so many uncontrollable factors affecting the programs of the Corporation involving crops which have not even been planted, that estimates of the use of borrowing authority are highly tentative.

POSITION WITH RESPECT TO BORROWING AUTHORITY AS OF JUNE 30

[In millions]

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|-------------|---------------|---------------|
| Statutory borrowing authority | \$14,500 | \$14,500 | \$14,500 |
| Deduct borrowings from Treasury | 12,874 | 12,970 | 14,032 |
| Obligations to purchase loans or certificates held by lending agencies (guaranteed by Commodity Credit Corporation) | 230 | 414 | 271 |
| Total statutory borrowing authority outstanding | 13,104 | 13,384 | 14,303 |
| Net statutory borrowing authority available | 1,396 | 1,116 | 197 |

NOTE.—This table does not reflect the following charges: Accounts payable, accrued liabilities, and obligations outstanding other than obligations to purchase loans and certificates held by banks. These do not become charges against the statutory borrowing authority until they result in borrowings from Treasury or loans or certificates held by banks.

Restoration of capital impairment.—Pursuant to the act of March 8, 1938, as amended (15 U.S.C. 713a-1), an appraisal of the assets and liabilities of the Corporation is made each year by the Secretary of the Treasury to determine the net worth. If the net worth is less than \$100 million, the Secretary of the Treasury restores the amount of capital impairment; if net worth is more than \$100 million the Corporation pays the surplus to the Treasury (15 U.S.C. 713a-2). The appraisal of assets is on the basis of cost to the Corporation. The capital impairment, therefore, represents realized losses. The unrestored realized losses reflected on the books of the Corporation for 1959 were \$1,307,000,994, including \$100 million of 1958 losses. A supplemental appropriation of \$675 million is proposed for later transmission in 1960 to restore \$575 million of the Corporation's capital impairment as of June 30, 1959, and \$100 million to restore the unrecovered balance of the 1958 realized losses. In addition, included in the estimates for 1961 is an appropriation of \$1,325,000,000 to restore the 1959 unrecovered realized losses of \$632,000,994 and an advance restoration of \$692,999,006 of the estimated 1960 realized losses of \$1,867,750,000. Ordinarily, this would be included in the 1962 budget. However, it is anticipated that the Corporation's borrowing authority will be

exhausted by January 1961, and an earlier restoration of capital would minimize the possibility for the need for an increase in borrowing authority.

Receipts from operations.—These include proceeds from sales of commodities, loan repayments, interest income, advances, reimbursements for special activities financed by the Corporation other than from special appropriations, and miscellaneous income, refunds, and collections.

Sources and Application of Funds (Operations)

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|-----------------|-----------------|-----------------|
| PRICE SUPPORT, SUPPLY, AND RELATED PROGRAMS AND SPECIAL MILK | | | |
| Gross expenditures (funds applied): | | | |
| Price support program | \$4,953,902,284 | \$4,715,110,214 | \$4,873,032,678 |
| Less commodity transfers to— Special activities financed by Commodity Credit Corpora- tion | 757,268,843 | 663,653,824 | 582,919,000 |
| Commodity export program | 127,124,362 | 285,802,000 | 248,945,000 |
| Price support program, net of transferred charges | 4,069,509,079 | 3,765,654,390 | 4,041,168,678 |
| Commodity export program: Expense | 132,436,160 | 295,410,000 | 260,441,000 |
| Storage facilities program: Acquisition of assets | 19,935,076 | 44,516,490 | 43,600,000 |
| Expense | 86,380 | 65,000 | 65,000 |
| Supply and foreign purchase pro- gram: Expense | 1,186,445 | 1,116,152 | 1,045,298 |
| Special milk program: Expense (including administrative) | 75,932,962 | 81,000,000 | 85,000,000 |
| Undistributed expenses: Administrative expense subject to limitation (excluding spe- cial milk) | 37,615,883 | 42,739,900 | 43,844,900 |
| Interest expense: Treasury | 181,409,322 | 482,875,000 | 503,000,000 |
| Other | 11,129,085 | 20,863,000 | 27,163,000 |
| Other expense | 12,197,368 | 27,876,923 | 27,891,446 |
| Total gross expenditures | 4,541,437,760 | 4,762,116,855 | 5,033,219,322 |
| Receipts from operations (funds provided): | | | |
| Price support program, net | 1,462,048,089 | 2,685,425,653 | 2,472,034,050 |
| Commodity export program: Revenue | 2,345 | | |
| Storage facilities program: Receipts from loans | 10,540,778 | 11,010,000 | 11,010,000 |
| Other program revenue | 47,224 | | |
| Supply and foreign purchase pro- gram: Revenue | 1,311,232 | 1,450,615 | 1,170,298 |
| Special milk program: Revenue (recoveries) | 1,265,068 | 1,141,900 | 1,341,900 |
| Undistributed: Interest and other revenue | 47,207,434 | 61,849,041 | 70,222,200 |
| Decrease in selected working capi- tal | 169,437,898 | 93,704,404 | 114,535,000 |
| Total receipts from operations | 1,691,860,068 | 2,854,581,613 | 2,670,313,448 |
| Budget expenditures, price support, supply, and related programs and special milk | | | |
| | 2,849,577,692 | 1,907,535,242 | 2,362,905,874 |
| SPECIAL ACTIVITIES FINANCED BY COMMODITY CREDIT CORPORATION (see schedule) | | | |
| Gross expenditures (funds applied): | | | |
| Commodities transferred from price support program | 757,268,843 | 663,653,824 | 582,919,000 |
| Other program expenses | 895,275,862 | 900,212,619 | 1,038,247,000 |
| Interest on balance recoverable | 29,543,251 | 36,844,541 | 50,259,000 |
| Increase in selected working capital (soil bank and other) | 56,277,886 | 238,874,494 | 85,590,357 |
| Loans for agricultural conserva- tion purposes | 40,000,000 | 38,200,000 | 19,200,000 |
| Total gross expenditures | 1,778,365,842 | 1,877,785,478 | 1,776,215,357 |
| Receipts from operations (funds provided): | | | |
| Recovered from other than special appropriations to reimburse Commodity Credit Corpora- tion | 133,740,411 | 248,314,986 | 201,860,000 |
| Repayment of loans for agricul- tural conservation purposes | 33,000,000 | 36,900,000 | 30,800,000 |
| Total receipts from operations | 166,740,411 | 285,214,986 | 232,660,000 |
| Budget expenditures, special activities financed by Com- modity Credit Corporation | | | |
| | 1,611,625,431 | 1,592,570,492 | 1,543,555,357 |
| Total net budget expenditures | | | |
| | 4,461,203,123 | 3,500,105,734 | 3,906,461,231 |

COMMODITY CREDIT CORPORATION—Continued

Public enterprise funds—Continued

COMMODITY CREDIT CORPORATION FUND—Continued

Revenue, Expense, and Retained Earnings

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|-----------------|-----------------|-----------------|
| PRICE SUPPORT, SUPPLY, AND RELATED PROGRAMS AND SPECIAL MILK | | | |
| Price support program: | | | |
| Revenue..... | \$1,810,964,533 | \$2,990,920,115 | \$2,607,828,650 |
| Expense..... | 2,615,989,843 | 3,970,895,233 | 3,506,727,404 |
| Net loss (-) (realized)..... | -805,025,310 | -979,975,118 | -898,898,754 |
| Increase (-) or decrease in allowance for losses (unrealized)..... | -604,903,902 | -290,882,000 | -221,789,000 |
| Net operating loss (-), price support program..... | -1,409,929,212 | -1,270,857,118 | -1,120,687,754 |
| Commodity export program: | | | |
| Net operating loss (-) (realized), commodity export program..... | -132,433,815 | -295,410,000 | -260,441,000 |
| Storage facilities program: Expense: ¹ Net operating loss (-) (realized), storage facilities program..... | -39,156 | -65,000 | -65,000 |
| Supply and foreign purchase program: | | | |
| Revenue..... | 1,311,232 | 1,450,615 | 1,170,298 |
| Expense..... | 1,001,827 | 1,386,615 | 1,090,298 |
| Net operating income (realized), supply and foreign purchase program..... | 309,405 | 64,000 | 80,000 |
| Special milk program: | | | |
| Revenue..... | 1,265,068 | 1,141,900 | 1,341,900 |
| Expense (including administrative)..... | 75,932,962 | 81,000,000 | 85,000,000 |
| Net operating loss (-) (realized), special milk program..... | -74,667,894 | -79,858,100 | -83,658,100 |
| Undistributed: | | | |
| Revenue..... | 47,207,434 | 61,849,041 | 70,222,200 |
| Expense..... | 242,351,658 | 574,354,823 | 601,899,346 |
| Net loss (-) (realized)..... | -195,144,224 | -512,505,782 | -531,677,146 |
| Increase (-) or decrease in allowance for losses (unrealized)..... | -311,609 | 356,928 | 53,000 |
| Net operating loss (-), undistributed..... | -195,455,833 | -512,148,854 | -531,624,146 |
| Net loss (-) for the year: | | | |
| Realized..... | -1,207,000,994 | -1,867,750,000 | -1,774,660,000 |
| Unrealized..... | -603,215,511 | -290,525,072 | -221,736,000 |
| Net loss (-) for the year, price support, supply, and related programs and special milk..... | | | |
| Analysis of deficit (-): | | | |
| Deficit (-), beginning of year..... | -1,812,216,505 | -2,158,275,072 | -1,996,396,000 |
| Appropriation for restoration of capital impairment: | | | |
| Enacted or recommended in this document..... | -5,711,270,716 | -5,763,087,335 | -5,810,937,994 |
| Proposed for later transmission under existing legislation..... | 1,760,399,886 | 1,435,424,413 | 1,325,000,000 |
| Deficit (-), end of year, price support, supply, and related programs and special milk..... | 675,000,000 | | |
| SPECIAL ACTIVITIES FINANCED BY COMMODITY CREDIT CORPORATION | | | |
| Revenue: Reimbursements received..... | 133,740,411 | 248,314,986 | 201,860,000 |
| Expense..... | 1,682,087,956 | 1,600,710,984 | 1,671,425,000 |
| Net loss (-), for the year, special activities financed by Commodity Credit Corporation..... | | | |
| Deficit (-), beginning of year..... | -1,548,347,545 | -1,352,395,998 | -1,469,565,000 |
| Reimbursement from special appropriations, net (see schedule)..... | -1,411,917,154 | -1,599,056,789 | -1,658,717,536 |
| Deficit (-), end of year, special activities financed by Commodity Credit Corporation..... | 1,361,207,910 | 1,292,735,251 | 1,519,742,000 |
| Total deficit (-), end of year, all transactions of Commodity Credit Corporation..... | -1,599,056,789 | -1,658,717,536 | -1,608,540,536 |
| Total deficit (-), end of year, for the year, special activities financed by Commodity Credit Corporation..... | -7,362,144,124 | -7,469,655,530 | -8,090,874,530 |

¹ Operation and maintenance costs applicable to owned structures are reflected as carrying charges on the commodities stored.

| | Financial Condition | | |
|---|---------------------|----------------|----------------|
| | 1959 actual | 1960 estimate | 1961 estimate |
| Assets: | | | |
| Cash with Treasury and in banks..... | \$33,366,006 | \$32,419,936 | \$32,700,705 |
| Accounts receivable, net (price support, supply, and related programs and special milk)..... | 262,852,870 | 178,288,000 | 119,541,000 |
| Commodities under contract to purchase, net..... | 15,520,000 | 10,422,000 | 10,422,000 |
| Deferred and undistributed charges, net..... | 26,317,090 | 29,900,000 | 17,700,000 |
| Commodities for sale, net: | | | |
| Agricultural commodities..... | 3,544,117,569 | 4,263,623,916 | 4,896,050,290 |
| Strategic and critical materials..... | 69,905,145 | 15,000,000 | 15,000,000 |
| Total commodities for sale, net..... | 3,614,022,714 | 4,278,623,916 | 4,911,050,290 |
| Loans receivable, net: | | | |
| Price support and storage facilities loans..... | 2,073,119,268 | 1,418,810,107 | 1,109,045,607 |
| Loans for agricultural conservation purposes (special activities financed by Commodity Credit Corporation)..... | 29,500,000 | 30,800,000 | 19,200,000 |
| Total loans receivable, net..... | 2,102,619,268 | 1,449,610,107 | 1,128,245,607 |
| Amounts recoverable from other than special appropriations (special activities financed by Commodity Credit Corporation): | | | |
| Sales of surplus agricultural commodities for foreign currencies: | | | |
| Due from foreign currencies to be sold and net rental income from military housing..... | 135,731,893 | 286,705,406 | 351,465,406 |
| Due from Department of Defense for foreign currencies used in military housing construction (Public Law 480)..... | 44,757,462 | 67,914,854 | 86,397,211 |
| Subtotal..... | 180,489,355 | 354,620,260 | 437,862,617 |
| Due from Department of Defense from receipts from military housing rentals (Public Law 161, barter and exchange)..... | 43,009,496 | 48,500,000 | 45,500,000 |
| Total amounts recoverable from other than special appropriations..... | 223,498,851 | 403,120,260 | 483,362,617 |
| Land, structures, and equipment, net..... | 139,855,251 | 156,810,251 | 172,140,251 |
| Total assets..... | 6,418,052,050 | 6,539,194,470 | 6,875,162,470 |
| Liabilities: | | | |
| Loans and certificates held by lending agencies..... | 229,547,605 | 414,000,000 | 271,000,000 |
| Price support, supply, and related programs and special milk..... | 455,256,484 | 462,711,000 | 506,246,000 |
| Special activities financed by Commodity Credit Corporation: | | | |
| National Wool Act payments due producers..... | 86,250,000 | 62,139,000 | 56,791,000 |
| Unused soil bank advances..... | 34,720,145 | | |
| Other..... | 421,940 | | |
| Total, special activities financed by Commodity Credit Corporation..... | 121,392,085 | 62,139,000 | 56,791,000 |
| Total liabilities..... | 806,196,174 | 938,850,000 | 834,037,000 |
| Government investment: | | | |
| Interest-bearing capital: | | | |
| Start of year..... | 11,628,000,000 | 12,974,000,000 | 13,070,000,000 |
| Borrowings from Treasury during year, net..... | 1,346,000,000 | 96,000,000 | 1,062,000,000 |
| End of year..... | 12,974,000,000 | 13,070,000,000 | 14,132,000,000 |
| Deficit (-): | | | |
| Price support, supply, and related programs and special milk: | | | |
| Net realized deficit (-)..... | -2,742,425,407 | -2,499,750,994 | -2,949,410,994 |
| Net unrealized deficit (-)..... | -3,020,661,928 | -3,311,187,000 | -3,532,923,000 |
| Total deficit (-), price support, supply, and related programs and special milk..... | -5,763,087,335 | -5,810,937,994 | -6,482,333,994 |
| Total deficit (-), special activities financed by Commodity Credit Corporation..... | -1,599,056,789 | -1,658,717,536 | -1,608,540,536 |
| Total deficit (-)..... | -7,362,144,124 | -7,469,655,530 | -8,090,874,530 |
| Total Government investment..... | 5,611,855,876 | 5,600,344,470 | 6,041,125,470 |

| Status of Certain Fund Balances | | | | | Status of Certain Fund Balances—Continued | | | | |
|--|---------------|---------------|---------------|---------------|---|---------------|---------------|---------------|---------------|
| | 1958 actual | 1959 actual | 1960 estimate | 1961 estimate | | 1958 actual | 1959 actual | 1960 estimate | 1961 estimate |
| Unexpended balance: | | | | | Obligated balance—Con. | | | | |
| Cash with Treasury | \$26,961,333 | \$33,366,006 | \$32,419,936 | \$32,700,705 | Obligations other—Con. | | | | |
| Budget authorization: | | | | | Special activities—Con. | | | | |
| Enacted or recommended in this document | 2,972,000,000 | 1,626,000,000 | 855,000,000 | 468,000,000 | Approved declaration of sales for export | | | | |
| Proposed for later transmission under existing legislation | | | 675,000,000 | | Wool payment agreements | | | | |
| Total unexpended balance | 2,998,961,333 | 1,659,366,006 | 1,562,419,936 | 500,700,705 | Subtotal | 208,871,818 | 255,698,070 | 258,275,000 | 294,290,000 |
| Obligated balance, net: | | | | | Accounts receivable, net (—): | | | | |
| Liabilities | 864,530,414 | 806,196,174 | 938,850,000 | 834,037,000 | Price support, supply, and related programs and special milk | | | | |
| Obligations other than liabilities: | | | | | Amounts recoverable from other than special appropriations, net (—) | | | | |
| Price support, supply, and related programs and special milk | | | | | Commitments which are recoverable, included above | | | | |
| Purchase agreements outstanding | 69,484,000 | 49,459,000 | 66,060,000 | 41,710,000 | Total obligated balance | 493,292,336 | 431,163,161 | 486,056,740 | 328,003,383 |
| Unrecorded claims | 1,913,324 | 3,529,931 | 4,000,000 | 4,000,000 | Unobligated balance ¹ | 2,505,668,997 | 1,228,202,845 | 1,076,363,196 | 172,697,322 |
| Approved declarations of sales for export | 24,218,901 | 52,869,858 | 54,570,000 | 47,175,000 | | | | | |
| Farm storage facility and equipment loan commitments | 2,825,533 | 5,459,919 | 3,985,000 | 3,985,000 | | | | | |
| Special activities financed by Commodity Credit Corporation: Commitments which are recoverable | | | | | | | | | |
| Letters of commitment | 189,998,243 | 252,842,090 | 255,000,000 | 290,000,000 | | | | | |

¹ Statutory obligations against borrowing authority include only borrowings from Treasury and obligations to purchase notes or other obligations evidencing loans made by lending agencies. Other obligations, contingent liabilities, and commitments do not become charges against the statutory borrowing authority until they result in borrowings from Treasury or in notes or other obligations evidencing loans made by lending agencies.

NOTE.—In addition to obligations other than liabilities reflected in the status of certain fund balances the Corporation does not reflect in its accounts claims by the Corporation on which adequate proof has not been established and the outstanding guarantee and occupancy agreements for storage space.

SCHEDULE OF SPECIAL ACTIVITIES FINANCED BY COMMODITY CREDIT CORPORATION

| | Balance recoverable, and liabilities (—) as of July 1 | Special appropriations to reimburse Commodity Credit Corporation (net) | Program expenditures | | | | | Balance as of June 30 | | |
|--|---|--|--|--------------------------------|---|--------------------|-------------------------------------|-------------------------|---|--|
| | | | Commodity costs transferred from price-support program | Other costs and capital outlay | Recovered or recoverable from other than special appropriations | Net operating loss | Changes in selected working capital | Net budget expenditures | Recoverable from special appropriations (deficit) | Recoverable from other appropriations and current liabilities (—) ¹ |
| RECOVERABLE COSTS | | | | | | | | | | |
| "Reimbursement to Commodity Credit Corporation for costs of special activities": | | | | | | | | | | |
| International Wheat Agreement: | | | | | | | | | | |
| 1959 | \$79,901,610 | \$80,800,000 | \$28,356,964 | \$19,946,205 | | \$48,303,169 | | \$48,303,169 | \$47,404,779 | |
| 1960 | 47,404,779 | 47,404,779 | 35,680,000 | 13,362,000 | | 49,042,000 | | 49,042,000 | 49,042,000 | |
| 1961 | 49,042,000 | 49,042,000 | 50,370,000 | 17,745,000 | | 68,115,000 | | 68,115,000 | 68,115,000 | |
| Emergency famine relief to friendly peoples: | | | | | | | | | | |
| 1959 | 117,943,898 | 119,270,000 | 58,786,032 | 39,141,748 | | 97,927,780 | | 97,927,780 | 96,601,678 | |
| 1960 | 96,601,678 | 96,601,678 | 68,840,500 | 46,159,500 | | 115,000,000 | | 115,000,000 | 115,000,000 | |
| 1961 | 115,000,000 | 115,000,000 | 71,720,000 | 48,280,000 | | 120,000,000 | | 120,000,000 | 120,000,000 | |
| Sales of surplus agricultural commodities for foreign currencies: | | | | | | | | | | |
| 1959 | 1,159,984,121 | 1,033,515,000 | 355,380,927 | 757,873,409 | \$133,740,411 | 979,513,925 | \$42,522,309 | 1,022,036,234 | 968,016,000 | \$180,489,355 |
| 1960 | 1,148,505,355 | 968,016,000 | 321,875,881 | 807,420,660 | 248,296,541 | 881,000,000 | 174,130,905 | 1,055,130,905 | 881,000,000 | 354,620,260 |
| 1961 | 1,123,620,260 | 881,000,000 | 334,094,000 | 956,766,000 | 201,860,000 | 1,089,000,000 | 83,242,357 | 1,172,242,357 | 1,089,000,000 | 437,862,617 |
| Transfer of Commodity Credit Corporation grain to Interior for migratory waterfowl feed: | | | | | | | | | | |
| 1959 | 18,506 | 18,506 | 17,363 | | | 17,363 | | 17,363 | 17,363 | |
| 1960 | 17,363 | 17,363 | 35,000 | | | 35,000 | | 35,000 | 35,000 | |
| 1961 | 35,000 | 35,000 | 35,000 | | | 35,000 | | 35,000 | 35,000 | |
| Transfer of bartered materials to supplemental stockpile: | | | | | | | | | | |
| 1959 | 82,250,335 | 82,250,335 | 314,727,557 | | | 314,727,557 | | 314,727,557 | 314,727,557 | |
| 1960 | 314,727,557 | 129,000,000 | 237,222,443 | | | 237,222,443 | | 237,222,443 | 422,950,000 | |
| 1961 | 422,950,000 | 422,950,000 | 126,700,000 | | | 126,700,000 | | 126,700,000 | 126,700,000 | |
| Animal disease eradication activities: | | | | | | | | | | |
| 1959 | 19,387,681 | 2 19,390,100 | | 1,057,056 | | 1,057,056 | | 1,057,056 | 1,054,637 | |
| 1960 | 1,054,637 | 1,036,192 | | | 18,445 | —18,445 | | —18,445 | | |
| Grading and classing activities: | | | | | | | | | | |
| 1959 | 1,594,928 | 1,510,870 | | 524,868 | | 524,868 | | 524,868 | 608,926 | |
| 1960 | 608,926 | 608,926 | | 715,000 | | 715,000 | | 715,000 | 715,000 | |
| 1961 | 715,000 | 715,000 | | 715,000 | | 715,000 | | 715,000 | 715,000 | |
| Subtotal: | | | | | | | | | | |
| 1959 | 1,461,081,079 | 1,336,754,811 | 757,268,843 | 818,543,286 | 133,740,411 | 1,442,071,718 | 42,522,309 | 1,484,594,027 | 1,428,430,940 | 180,489,355 |
| 1960 | 1,608,920,295 | 1,242,684,938 | 663,653,824 | 867,657,160 | 248,314,986 | 1,282,995,993 | 174,130,905 | 1,457,126,903 | 1,468,742,000 | 354,620,260 |
| 1961 | 1,823,362,260 | 1,468,742,000 | 582,919,000 | 1,023,506,000 | 201,860,000 | 1,404,565,000 | 83,242,357 | 1,487,807,357 | 1,404,565,000 | 437,862,617 |
| "Reimbursement to Commodity Credit Corporation, National Wool Act": | | | | | | | | | | |
| 1959 | 88,803,121 | 24,453,099 | | 106,275,827 | | 106,275,827 | —86,250,000 | 20,025,827 | 170,625,849 | —86,250,000 |
| 1960 | 84,375,849 | 50,050,313 | | 69,400,000 | | 69,400,000 | 24,111,000 | 93,511,000 | 189,975,536 | —62,139,000 |
| 1961 | 127,836,536 | 51,000,000 | | 65,000,000 | | 65,000,000 | 5,348,000 | 70,348,000 | 203,975,536 | —56,791,000 |

See footnotes at end of table, p. 356.

COMMODITY CREDIT CORPORATION—Continued

Public enterprise funds—Continued

COMMODITY CREDIT CORPORATION FUND—Continued

SCHEDULE OF SPECIAL ACTIVITIES FINANCED BY COMMODITY CREDIT CORPORATION—Continued

| | Balance recoverable, and liabil- ties (—) as of July 1 | Special ap- propriations to reimburse Commodity Credit Corpo- ration (net) | Program expenditures | | | Recovered or recoverable from other than special appropri- ations | Changes in selected working capital | Net budget expenditures | Balance as of June 30 | |
|--|--|---|--|--------------------------------------|-----------------------|--|--|----------------------------|--|---|
| | | | Commodity costs trans- ferred from price- support program | Other costs and capital outlay | Net operating loss | | | | Recoverable from other appropri- ations (deficit) | Recoverable from other appropriations and current lia- bilities (—) |
| RECOVERABLE COSTS—continued | | | | | | | | | | |
| Other programs: | | | | | | | | | | |
| Military housing (Public Law 84-161, barter and exchange): | | | | | | | | | | |
| 1959..... | \$11,511,418 | ----- | ----- | ----- | ----- | ----- | \$31,498,078 | \$31,498,078 | ----- | \$43,009,496 |
| 1960..... | 43,009,496 | ----- | ----- | ----- | ----- | ----- | 5,490,504 | 5,490,504 | ----- | 48,500,000 |
| 1961..... | 48,500,000 | ----- | ----- | ----- | ----- | ----- | -3,000,000 | -3,000,000 | ----- | 45,500,000 |
| Transfer of long-staple cotton from national stockpile for sale by Commodity Credit Corporation: | | | | | | | | | | |
| 1959..... | -486,507 | ----- | ----- | ----- | ----- | ----- | 400,416 | 400,416 | ----- | -86,091 |
| 1960..... | -86,091 | ----- | ----- | ----- | ----- | ----- | 86,091 | 86,091 | ----- | ----- |
| Soil bank: | | | | | | | | | | |
| 1959..... | -103,163,077 | ----- | ----- | ----- | ----- | ----- | 68,107,083 | 68,107,083 | ----- | -35,055,994 |
| 1960..... | -35,055,994 | ----- | ----- | ----- | ----- | ----- | 35,055,994 | 35,055,994 | ----- | ----- |
| Total recoverable costs: | | | | | | | | | | |
| 1959..... | 1,457,746,034 | \$1,361,207,910 | \$757,268,843 | \$924,819,113 | \$133,740,411 | \$1,548,347,545 | 56,277,886 | 1,604,625,431 | \$1,599,056,789 | 102,106,766 |
| 1960..... | 1,701,163,555 | 1,292,735,251 | 663,653,824 | 937,057,160 | 248,314,986 | 1,352,395,998 | 238,874,494 | 1,591,270,492 | 1,658,717,536 | 340,981,260 |
| 1961..... | 1,999,698,796 | 1,519,742,000 | 582,919,000 | 1,088,506,000 | 201,860,000 | 1,469,565,000 | 85,590,357 | 1,555,155,357 | 1,608,540,536 | 426,571,617 |
| CAPITAL OUTLAY | | | | | | | | | | |
| Loans for agricultural conservation purposes: | | | | | | | | | | |
| 1959..... | 22,500,000 | ----- | ----- | 40,000,000 | 33,000,000 | ----- | ----- | 7,000,000 | ----- | 29,500,000 |
| 1960..... | 29,500,000 | ----- | ----- | 38,200,000 | 36,900,000 | ----- | ----- | 1,300,000 | ----- | 30,800,000 |
| 1961..... | 30,800,000 | ----- | ----- | 19,200,000 | 30,800,000 | ----- | ----- | -11,600,000 | ----- | 19,200,000 |
| Net budget expenditures: | | | | | | | | | | |
| 1959..... | ----- | ----- | ----- | ----- | ----- | ----- | 1,611,625,431 | ----- | ----- | ----- |
| 1960..... | ----- | ----- | ----- | ----- | ----- | ----- | 1,592,570,492 | ----- | ----- | ----- |
| 1961..... | ----- | ----- | ----- | ----- | ----- | ----- | 1,543,555,357 | ----- | ----- | ----- |

¹ Consists of the following items: Sales of surplus agricultural commodities for foreign currencies—amounts to be recovered from other agencies for future sales of foreign currencies for dollars and from Department of Defense for use of foreign currencies for construction of military housing abroad. Reimbursement to Commodity Credit Corporation, National Wool Act—amounts of liability for accrued payments due producers which will be paid in the succeeding fiscal year. Military housing (Public Law 84-161, barter and exchange)—amount to be recovered from Department of Defense for value of agricultural commodities exchanged for construction of military housing abroad.

Transfer of long-staple cotton from national stockpile for sale by Commodity Credit Corporation—amount available for payment of additional costs or for deposit in the Treasury as miscellaneous receipts. Soil bank—Unused advance received from funds appropriated for soil bank programs and small residual balance of unpaid acreage reserve certificates. Loans for agricultural conservation purposes—amount due from Secretary of Agriculture for advance purchase of conservation materials.

² During fiscal year 1960 \$9,666, representing refund of prior year advances, was returned to the Treasury.

LIMITATION ON ADMINISTRATIVE EXPENSES

Nothing in this Act shall be so construed as to prevent the Commodity Credit Corporation from carrying out any activity or any program authorized by law: *Provided*, That not to exceed [§42,000,000] \$48,428,000 shall be available for administrative expenses of the Corporation: *Provided further*, That \$1,000,000 of this authorization shall be available only to expand and strengthen the sales program of the Corporation pursuant to authority contained in the Corporation's charter: *Provided further*, That not less than 7 per centum of this authorization shall be placed in reserve to be apportioned pursuant to section 3679 of the Revised Statutes, as amended, for use only in such amounts and at such time as may become necessary to carry out program operations: *Provided further*, That all necessary expenses (including legal and special services performed on a contract or fee basis, but not including other personal services) in connection with the acquisition, operation, maintenance, improvement, or disposition of any real or personal property belonging to the Corporation or in which it has an interest, including expenses of collections of pledged collateral, shall be considered as nonadministrative expenses for the purposes hereof: *Provided further*, (1) That no part of this authorization shall be used to formulate or carry out a price support program for 1960 under which a total amount of price support in excess of \$50,000 would be extended through loans, purchases, or purchase agreements made or made available by Commodity Credit Corporation to any person on the 1960 production of any agricultural commodity declared by the Secretary to be in surplus supply, unless (a) such person shall reduce his production of such commodity from that which such person produced the preceding year, in such percentage, not to exceed 20 per

centum, as the Secretary may determine to be essential to bring production in line within a reasonable period of time with that necessary to provide an adequate supply to meet domestic and foreign demands, plus adequate reserves, or (b) such person shall agree to repay all amounts advanced in excess of \$50,000 for any agricultural commodity within twelve months from the date of the advance of such funds or at such later date as the Secretary may determine, (2) that the term "person" shall mean an individual, partnership, firm, joint-stock company, corporation, association, trust, estate, or other legal entity, or a State, political subdivision of a State, or any agency thereof, (3) that in the case of any loan to, or purchase from, a cooperative marketing organization, or with regard to price support on an agricultural commodity extended by purchases of a product of such commodity from, or by loans on such product to, persons other than the producers of such commodity, such limitation shall not apply to the amount of price support received by the cooperative marketing organization, or other persons, but the amount of price support made available to any person through such cooperative marketing organization or other persons shall be included in determining the amount of price support received by such person for purposes of such limitation, and (4) that the Secretary of Agriculture shall issue regulations prescribing such rules as he determines necessary to carry out this provision. (7 U.S.C. 442-446, 624, 1282, 1301, 1385, 1391c, 1421-1432, 1441-1449, 1691-1694, 1701-1709, 1721-1724, 1741-1747, 1808, 1813, 1851-1854, 1856-1857, 1859-1860; 12 U.S.C. 1148a-2; 15 U.S.C. 712a, 713a-10, 714-714p; 31 U.S.C. 841, 846-852, 866-868c, 869; 50 U.S.C. App. 1917; 71 Stat. 290; 73 Stat. 15, 279, 363, 574, 606-609; Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.)

Program and Financing

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|--------------|---------------|---------------|
| Program by activities: | | | |
| 1. Price support program..... | \$34,462,890 | \$39,294,100 | \$39,372,500 |
| 2. Commodity export program..... | 1,333,551 | 1,685,600 | 1,708,700 |
| 3. Storage facilities program..... | 1,643,056 | 1,750,200 | 1,763,700 |
| 4. International Cooperation Administration services..... | | | 1,000,000 |
| 5. Special milk program..... | 640,500 | 658,100 | 658,100 |
| 6. Adjustment to prior year costs..... | -480,952 | | |
| Total program costs..... | 37,599,045 | 43,398,000 | 44,503,000 |
| 7. Relation of costs to obligations: Obligations incurred for costs of other years, net..... | 657,338 | | |
| Total program (obligations)..... | 38,256,383 | 43,398,000 | 44,503,000 |
| Financing: | | | |
| Unobligated balance no longer available..... | 1,343,617 | 535,000 | 3,925,000 |
| Limitation..... | 39,600,000 | 42,000,000 | 48,428,000 |
| Proposed increase in limitation due to increased program volume..... | | 1,933,000 | |

7. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

| | 1958 actual | 1959 actual | 1960 estimate | 1961 estimate |
|---|----------------|----------------|------------------|------------------|
| Selected resources at end of year: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)..... | \$434,599 | \$610,985 | \$610,985 | \$610,985 |
| Selected resources at start of year (—) | -434,599 | -610,985 | -610,985 | |
| Adjustment of prior year costs and selected resources reported at start of year | 480,952 | | | |
| Obligations incurred for costs of other years, net..... | 657,338 | | | |

Object Classification

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|--------------|---------------|---------------|
| COMMODITY CREDIT CORPORATION | | | |
| Total number of permanent positions..... | 5,067 | 5,535 | 5,229 |
| Full-time equivalent of all other positions..... | 14 | 341 | 341 |
| Average number of all employees..... | 4,435 | 5,386 | 5,312 |
| Number of employees at end of year..... | 4,522 | 4,702 | 4,629 |
| Average GS grade and salary..... | 6.1 | \$5,338 | 5.9 |
| 01 Personal services: | | | |
| Permanent positions..... | \$22,587,574 | \$25,320,032 | \$25,089,123 |
| Positions other than permanent..... | 40,620 | 1,129,835 | 1,129,835 |
| Other personal services..... | 769,941 | 773,221 | 689,442 |
| Total personal services..... | 23,398,135 | 27,223,088 | 26,908,400 |
| 02 Travel..... | 871,730 | 1,071,000 | 1,128,000 |
| 03 Transportation of things..... | 163,526 | 175,000 | 175,000 |
| 04 Communication services..... | 991,001 | 919,000 | 921,000 |
| 05 Rents and utility services..... | 4,297,392 | 5,375,000 | 5,375,000 |
| 06 Printing and reproduction..... | 1,062,104 | 1,104,000 | 1,104,000 |
| 07 Other contractual services..... | 571,184 | 434,700 | 760,700 |
| Services performed by other agencies..... | 4,560,200 | 4,878,300 | 4,944,300 |
| 08 Supplies and materials..... | 901,420 | 513,000 | 510,000 |
| 11 Grants, subsidies, and contributions..... | 1,371,168 | 1,553,000 | 1,532,000 |
| 13 Refunds, awards, and indemnities..... | 33,360 | 74,000 | 74,000 |
| 15 Taxes and assessments..... | 35,163 | 77,912 | 70,600 |
| Total, Commodity Credit Corporation..... | 38,256,383 | 43,398,000 | 43,503,000 |
| ALLOCATION TO INTERNATIONAL COOPERATION ADMINISTRATION | | | |
| Total number of permanent positions..... | | | 149 |
| Average number of all employees..... | | | 83 |
| Number of employees at end of year..... | | | 83 |
| Average GS grade and salary..... | | | 8.5 |
| Average grade and salary established by the Foreign Service Act of 1946, as amended (22 U.S.C. 801-1158): Foreign Service Reserve..... | | | 4.2 |
| Average salary of ungraded positions..... | | | \$427,000 |
| 01 Personal services: | | | \$63,700 |
| Permanent positions..... | | | |
| Other personal services..... | | | |
| Total personal services..... | | | 490,700 |
| 02 Travel..... | | | 205,900 |
| 03 Transportation of things..... | | | 87,300 |
| 04 Communication services..... | | | 5,800 |
| 05 Rents and utility services..... | | | 63,400 |
| 06 Printing and reproduction..... | | | 2,500 |
| 07 Other contractual services..... | | | 42,300 |
| State support..... | | | 67,900 |
| 08 Supplies and materials..... | | | 13,700 |
| 11 Grants, subsidies, and contributions..... | | | 20,500 |
| Total, International Cooperation Administration..... | | | 1,000,000 |
| Total obligations..... | 38,256,383 | 43,398,000 | 44,503,000 |

INFORMATIONAL FOREIGN CURRENCY SCHEDULE

Foreign currency, Agricultural Trade Development and Assistance Act of 1954

[All amounts stated in U.S. dollar equivalents]

Program and Financing

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|-------------|---------------|---------------|
| Program by activities: | | | |
| Audit and end-use checks on food commodities donated abroad (total obligations)..... | | | \$100,000 |
| Financing: | | | |
| Authorization to expend foreign currency receipts (7 U.S.C. 1704)..... | | | 100,000 |

Under section 416 of the Agricultural Act of 1949, as amended (title III of the Agricultural Trade Development and Assistance Act of 1954) food commodities are donated abroad through voluntary charitable agencies. End use checks and audits are being made to determine how effectively and appropriately donated commodities are distributed and utilized.

Object Classification

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|-------------|---------------|---------------|
| ALLOCATION TO INTERNATIONAL COOPERATION ADMINISTRATION | | | |
| Total number of permanent positions..... | | | 167 |
| Average number of all employees..... | | | 48 |
| Number of employees at end of year..... | | | 65 |
| Average salary of ungraded positions..... | | | \$1,113 |
| 01 Personal Services: Permanent positions..... | | | \$54,000 |
| 02 Travel..... | | | 15,000 |
| 05 Rents and utility services..... | | | 18,000 |
| 07 Other contractual services..... | | | 8,000 |
| 08 Supplies and materials..... | | | 5,000 |
| Total obligations..... | | | 100,000 |

Analysis of Expenditures

| Obligated balance start of year..... | | | \$5,000 |
|---|--|--|-----------|
| Obligations incurred during the year..... | | | \$100,000 |
| Obligated balance end of year..... | | | -5,000 |
| Expenditures..... | | | 95,000 |
| | | | 5,000 |

Status of Unfunded Allocations

| Allocations..... | | | \$100,000 |
|-----------------------------------|--|--|-----------|
| Transfer into agency account..... | | | 100,000 |

Proposed for later transmission:

Under existing legislation, 1960.—On the basis of the budgetary assumptions heretofore described, the consequent estimated program requirements currently indicate a need for additional borrowing authority late in 1960. In the event the program and financing develop as estimated, a supplemental appropriation is anticipated in the amount of \$675 million, of which \$575 million is to partially restore the Corporation's capital impairment as of June 30, 1959, and \$100 million is to restore the unrecovered realized losses of June 30, 1958. These amounts are reflected in the Commodity Credit Corporation fund schedules.

CORPORATIONS

The following corporations and agencies are hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the budget for the fiscal year [1960] 1961 for such corporation or agency, except as hereinafter provided: (Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.)

FEDERAL CROP INSURANCE CORPORATION

OPERATING AND ADMINISTRATIVE EXPENSES

For operating and administrative expenses, \$6,376,700. (7 U.S.C. 1501-1519; 31 U.S.C. 841, 846-852, 866-868c, 869; 73 Stat. 278; Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.)

Appropriated 1960, \$6,376,700

Estimate 1961, \$6,376,700

Program and Financing

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|-------------|---------------|---------------|
| Program by activities: | | | |
| 1. Underwriting and actuarial analysis | \$845,083 | \$1,018,000 | \$1,053,000 |
| 2. Contract sales and servicing | 4,982,073 | 4,606,700 | 4,438,700 |
| 3. Crop inspections and loss adjustments | 550,661 | 752,000 | 885,000 |
| Total program costs ¹ | 6,377,817 | 6,376,700 | 6,376,700 |
| 4. Relation of costs to obligations: Costs financed from obligations of other years (unpaid undelivered orders), net (-) | -1,117 | | |
| Total program (obligations) | 6,376,700 | 6,376,700 | 6,376,700 |
| Financing: | | | |
| Appropriation (new obligational authority) | 6,376,700 | 6,376,700 | 6,376,700 |

¹ Includes capital outlay as follows: June 30, 1959, \$26,638; 1960, \$59,000; 1961, \$59,000.

This appropriation relates to a portion of the administrative and operating expenses of the Corporation. The budget for insurance operations and other costs financed from capital funds appears below.

4. *Relation of costs to obligations.*—The year-end balances of unpaid undelivered orders are as follows: 1958, \$11,883; 1959, \$10,766; 1960, \$10,766; 1961, \$10,766.

Object Classification

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|-------------|---------------|---------------|
| Total number of permanent positions | | | |
| 549 | 582 | 625 | |
| Full-time equivalent of all other positions | 213 | 216 | 198 |
| Average number of all employees | 697 | 760 | 803 |
| Number of employees at end of year | 960 | 1,072 | 1,134 |
| Average GS grade and salary | 6.0 | \$5,359 | 6.2 \$5,419 |
| 01 Personal services: | | | |
| Permanent positions | \$2,653,580 | \$2,994,559 | \$3,298,886 |
| Positions other than permanent | 859,775 | 859,641 | 789,414 |
| Other personal services | 10,123 | 21,500 | 12,400 |
| Total personal services | 3,523,478 | 3,875,700 | 4,100,700 |
| 02 Travel | 903,621 | 1,095,000 | 1,177,000 |
| 03 Transportation of things | 10,335 | 12,000 | 14,000 |
| 04 Communication services | 228,763 | 242,000 | 245,000 |
| 05 Rents and utility services | 116,451 | 125,000 | 125,000 |
| 06 Printing and reproduction | 58,824 | 82,000 | 87,000 |
| 07 Other contractual services | 33,472 | 39,500 | 74,500 |
| Agents' commissions | 1,155,021 | 487,000 | 116,000 |
| Services performed by other agencies | 72,444 | 70,500 | 70,500 |
| 08 Supplies and materials | 51,607 | 60,000 | 62,000 |
| 09 Equipment | 24,955 | 60,000 | 60,000 |
| 11 Grants, subsidies, and contributions | 170,637 | 196,000 | 215,000 |
| 13 Refunds, awards, and indemnities | 6,015 | 10,000 | 10,000 |
| 15 Taxes and assessments | 21,077 | 22,000 | 20,000 |
| Total obligations | 6,376,700 | 6,376,700 | 6,376,700 |

Public enterprise funds:

FEDERAL CROP INSURANCE CORPORATION FUND

Not to exceed [\$2,330,000] \$2,830,000 of administrative and operating expenses may be paid from premium income. (7 U.S.C. 1516(a); Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.)

Program and Financing

| | 1959 actual | 1960 estimate | 1961 estimate |
|-------------------------------|-------------|---------------|---------------|
| Program by activities: | | | |
| Indemnities, by crop: | | | |
| Barley | \$120,623 | \$585,000 | \$1,080,000 |
| Beans | 41,870 | 129,000 | 189,000 |
| Citrus | 39,322 | 270,000 | 374,000 |
| Corn | 1,163,860 | 1,525,000 | 3,526,000 |
| Cotton | 186,804 | 648,000 | 1,012,000 |
| Flax | 184,861 | 665,000 | 450,000 |
| Grain sorghum | | 1,000 | 14,000 |

Program and Financing—Continued

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|-------------|---------------|---------------|
| Program by activities—Continued | | | |
| Indemnities, by crop—Continued | | | |
| Combined crop | \$747,770 | \$1,841,000 | \$432,000 |
| Oats | | 82,000 | 337,000 |
| Peaches | 37,514 | 54,000 | 46,000 |
| Rice | | | 13,000 |
| Rye | | | 6,000 |
| Soybeans | 180,360 | 537,000 | 1,102,000 |
| Tobacco | 310,825 | 546,000 | 1,800,000 |
| Wheat | 1,491,025 | 6,134,000 | 12,118,000 |
| Total indemnities | 4,504,834 | 13,017,000 | 22,499,000 |
| Inspection and adjustment costs | 485,660 | 900,000 | 1,000,000 |
| Administrative expenses | 462,451 | 2,330,000 | 2,830,000 |
| Other expense | 249,107 | 262,000 | 320,000 |
| Adjustment of prior year expense | -962,232 | | |
| Total program (costs—obligations) | 4,739,820 | 16,509,000 | 26,649,000 |
| Financing: | | | |
| Amounts becoming available: | | | |
| Insurance premiums, by crop: | | | |
| Barley | 311,347 | 643,000 | 1,200,000 |
| Beans | 130,451 | 131,000 | 210,000 |
| Citrus | 264,522 | 302,000 | 416,000 |
| Corn | 2,069,253 | 3,330,000 | 3,918,000 |
| Cotton | 755,891 | 1,278,000 | 1,125,000 |
| Flax | 409,908 | 493,000 | 500,000 |
| Grain sorghum | | 7,000 | 15,000 |
| Combined crop | 2,055,016 | 1,323,000 | 480,000 |
| Oats | | 83,000 | 375,000 |
| Peaches | 48,415 | 49,000 | 51,000 |
| Rice | | | 14,000 |
| Rye | | | 7,000 |
| Soybeans | 500,264 | 941,000 | 1,225,000 |
| Tobacco | 1,649,942 | 1,734,000 | 2,000,000 |
| Wheat | 9,432,132 | 8,881,000 | 13,464,000 |
| Total premiums | 17,627,141 | 19,195,000 | 25,000,000 |
| Interest and other income | 80,279 | 100,000 | 100,000 |
| Prior year adjustment | -12,268 | | |
| Total amounts becoming available | 17,695,152 | 19,295,000 | 25,100,000 |
| Unobligated balance brought forward | 25,755,020 | 38,710,352 | 41,496,352 |
| Total amounts available | 43,450,172 | 58,005,352 | 66,596,352 |
| Unobligated balance carried forward | -38,710,352 | -41,496,352 | -39,947,352 |
| Financing applied to program | 4,739,820 | 16,509,000 | 26,649,000 |

Purpose and financial organization.—The Federal Crop Insurance Corporation, a wholly owned Government corporation, was created on February 16, 1938 (7 U.S.C. 1501-1519), to carry out the provisions of the Federal Crop Insurance Act. The purpose of this act is to promote the national welfare by improving the economic stability of agriculture through a sound system of crop insurance and providing the means for the research and experience helpful in devising and establishing such insurance. The Corporation provides all-risk insurance protection to farmers against loss from unavoidable causes. Insurance programs, since 1948, have been conducted on a limited basis in selected counties and on selected crops to obtain adequate actuarial data for the gradual expansion of the program to a national basis.

Capital stock of \$100 million is authorized to be subscribed by the United States. As of June 30, 1959, the Secretary of the Treasury held receipts for \$40 million of the authorized stock, leaving \$60 million unissued.

Funds from the issuance of capital stock provide working capital for the Corporation. Receipts which are for deposit to this fund come mainly from premiums for insurance protection afforded farmers on their investment in the production of insured crops. The principal payments from this fund are for indemnities to insured farmers who suffer crop losses arising from causes against which crop insurance provides protection, the direct cost of adjusting losses, and part of the administrative and operating expenses. The annual appropriation for the major portion of the administrative and operating expenses of the Corporation is presented earlier in the budget.

Budget program.—The Corporation plans to continue its policy of gradually expanding the program to additional crops and counties. For the 1960 crop year (fiscal year 1961) insurance will be added in 18 new counties and on

54 insurable crops. The following table indicates the scope of the insurance program planned for 1959, 1960, and 1961. Amounts in the 1959 column are actual and pertain to the 1958 crop year. The 1960 column pertains to the 1959 crop year and reflects the current favorable condition of the 1959 insured crops. Indemnities shown in the 1961 column, covering the 1960 crop year, are estimated at 90% of the premium.

| | 1959 fiscal year (1958 crop year) actual | 1960 fiscal year (1959 crop year) estimate | 1961 fiscal year (1960 crop year) estimate |
|---|---|---|---|
| Number of States..... | 38 | 38 | 38 |
| Number of counties..... | 830 | 847 | 865 |
| Estimated insurance outstanding, beginning of fiscal year..... thousands | \$241,617 | \$278,000 | \$350,000 |
| Number of crops insured..... | 324,435 | 339,403 | 390,000 |
| Premiums..... thousands | \$17,627 | \$19,195 | \$25,000 |
| Indemnities..... do..... | \$4,505 | \$13,017 | \$22,499 |
| Loss ratio..... | .26 | .68 | .90 |

Financing.—The deficit at June 30, 1959, will be more than offset by the income from operations estimated for 1960 (1959 crop year). Income from operations for the past several years will provide adequate operating funds for 1961, and therefore, no additional capital funds are requested. The increase in the authority to pay operating and administrative expenses from premium income, proposed for 1961, will cover the increased cost of servicing the additional crops insured, new counties, and insurable crops budgeted for the 1961 crop year. Legislation was proposed to the 1st session of the 86th Congress to permit the inclusion of administrative expenses in the determination of appropriate premium rates for crop insurance.

Operating results and financial condition.—Preliminary estimates for the 1959 crop year (1960 fiscal year) show premiums of \$19.2 million exceeding indemnities of \$13 million by \$6.2 million. The favorable experience anticipated for crop year 1959 will make the third successive year in which premiums have exceeded indemnities, and the sixth such year during the 12-year period from 1948 to 1959. For this 12-year period premiums of \$227.3 million exceed indemnities of \$219.1 million by \$8.2 million.

The following table summarizes the insurance operations by commodities for 1959, 1960, and 1961.

NET INCOME OR LOSS (—) ON INSURANCE OPERATIONS, BY COMMODITIES

[Fiscal years ending June 30, 1959, 1960, and 1961]

| | 1959 actual (1958 crop year) | 1960 estimate (1959 crop year) | 1961 estimate (1960 crop year) |
|--|---------------------------------|-----------------------------------|-----------------------------------|
| Barley..... | \$190,724 | \$58,000 | \$120,000 |
| Beans..... | 88,581 | 2,000 | 21,000 |
| Citrus..... | 225,200 | 32,000 | 42,000 |
| Combined crop..... | 1,307,246 | -518,000 | 48,000 |
| Corn..... | 905,393 | 1,805,000 | 392,000 |
| Cotton..... | 569,087 | 630,000 | 113,000 |
| Flax..... | 225,047 | -172,000 | 50,000 |
| Grain sorghum..... | | 6,000 | 1,000 |
| Oats..... | | 1,000 | 38,000 |
| Peaches..... | 10,901 | -5,000 | 5,000 |
| Rice..... | | | 1,000 |
| Rye..... | | | 1,000 |
| Soybeans..... | 319,904 | 404,000 | 123,000 |
| Tobacco..... | 1,339,117 | 1,188,000 | 200,000 |
| Wheat..... | 7,941,107 | 2,747,000 | 1,346,000 |
| Premium surplus..... | 13,122,307 | 6,178,000 | 2,501,000 |
| Inspection and adjustment costs (—)..... | -485,660 | -900,000 | -1,000,000 |
| Administrative expenses chargeable to premium income (—)..... | -462,451 | -2,330,000 | -2,830,000 |
| Other income or expense, net (—)..... | 781,136 | -162,000 | -220,000 |
| Net income or loss (—)..... | 12,955,332 | 2,786,000 | -1,549,000 |

SUMMARY OF INSURANCE OPERATIONS AND ADMINISTRATIVE EXPENSES

| | | | |
|--|--------------|-------------|--------------|
| Net income or loss (—)..... | \$12,955,332 | \$2,786,000 | -\$1,549,000 |
| Funds appropriated for administrative expenses..... | 6,376,700 | 6,376,700 | 6,376,700 |
| Total net income or loss (—)..... | 6,578,632 | -3,590,700 | -7,925,700 |

Sources and Application of Funds (Operations)

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|-------------|---------------|---------------|
| Gross expenditures (funds applied): | | | |
| Indemnities..... | \$4,504,834 | \$13,017,000 | \$22,499,000 |
| Inspection and adjustment costs..... | 485,660 | 900,000 | 1,000,000 |
| Administrative expense charged to program operations..... | 462,451 | 2,330,000 | 2,830,000 |
| Adjustment of prior year transactions..... | 12,268 | | |
| Chargeoff of premiums and other receivables..... | 597,103 | 100,000 | 100,000 |
| Total gross expenditures..... | 6,062,316 | 16,347,000 | 26,429,000 |
| Receipts from operations (funds pro- vided): | | | |
| Insurance premiums..... | 17,627,141 | 19,195,000 | 25,000,000 |
| Interest on premium notes..... | 79,714 | 100,000 | 100,000 |
| Other income..... | 565 | | |
| Adjustment of prior year transactions..... | 131,882 | | |
| Decrease in selected working capital..... | 2,770,714 | 3,893,811 | 320,000 |
| Total receipts from operations..... | 20,610,016 | 23,188,811 | 25,420,000 |
| Budget expenditures..... | -14,547,700 | -6,841,811 | 1,009,000 |

Revenue, Expense, and Retained Earnings

| | Income..... | Expense..... | |
|---|--------------|--------------|--------------|
| Income..... | \$17,707,420 | \$19,295,000 | \$25,100,000 |
| Expense..... | 4,752,088 | 16,509,000 | 26,649,000 |
| Net income or loss (—) for the year..... | 12,955,332 | 2,786,000 | -1,549,000 |
| Retained earnings or deficit (—), begin- ning of year..... | -14,244,980 | -1,289,648 | 1,496,352 |
| Retained earnings or deficit (—), end of year..... | -1,289,648 | 1,496,352 | -52,648 |

Financial Condition

| Assets: | | | |
|---------------------------------------|--------------|--------------|--------------|
| Cash with Treasury..... | \$41,184,589 | \$48,026,400 | \$47,017,400 |
| Accounts receivable, net..... | 4,399,907 | 5,446,411 | 5,406,411 |
| Total assets..... | | | |
| Liabilities: | 45,584,496 | 53,472,811 | 52,423,811 |
| Current..... | 6,874,144 | 11,976,459 | 12,476,459 |
| Government investment: | | | |
| Non-interest-bearing capital..... | 40,000,000 | 40,000,000 | 40,000,000 |
| Retained earnings or deficit (—)..... | -1,289,648 | 1,496,352 | -52,648 |
| Total Government investment..... | 38,710,352 | 41,496,352 | 39,947,352 |

NOTE.—Excludes contingent liabilities representing estimated insurance coverage on 1959, 1960, and 1961 crops in the following amounts: June 30, 1959, \$278,000,000; 1960, \$350,000,000; and 1961, \$370,000,000.

Status of Certain Fund Balances

| | 1958 actual | 1959 actual | 1960 estimate | 1961 estimate |
|--------------------------------------|--------------|--------------|---------------|---------------|
| Unexpended balance: | | | | |
| Cash with Treasury..... | \$26,636,889 | \$41,184,589 | \$48,026,400 | \$47,017,400 |
| Obligated balance, net: | | | | |
| Current liabilities..... | 5,977,562 | 6,874,144 | 11,976,459 | 12,476,459 |
| Accounts receivable, net (—)..... | -5,095,693 | -4,399,907 | -5,446,411 | -5,406,411 |
| Total obligated bal- ance..... | 881,869 | 2,474,237 | 6,530,048 | 7,070,048 |
| Unobligated balance..... | 25,755,020 | 38,710,352 | 41,496,352 | 39,947,352 |

Object Classification

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|-------------|---------------|---------------|
| Average number of all employees..... | | | |
| Number of employees at end of year..... | 72 | 128 | 142 |
| 01 Personal services: Positions other than permanent..... | 185,287 | 363,000 | 402,000 |
| 02 Travel..... | 462,451 | 2,330,000 | 2,830,000 |
| 07 Other contractual services: Agents' commissions..... | 4,504,834 | 13,017,000 | 22,499,000 |
| 13 Refunds, awards, and indemnities..... | 6,750 | 13,000 | 15,000 |
| 15 Taxes and assessments..... | -713,125 | 262,000 | 320,000 |
| Undistributed..... | | | |
| Total obligations..... | 4,739,820 | 16,509,000 | 26,649,000 |

FEDERAL CROP INSURANCE CORPORATION—Con.**Intragovernmental funds:****ADVANCES AND REIMBURSEMENTS****Program and Financing**

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|-------------|---------------|---------------|
| Program by activities: | | | |
| 1. Underwriting and actuarial analysis | \$90 | \$200 | ----- |
| 2. Contract sales and servicing | 3,179 | 1,800 | ----- |
| 3. Crop inspections and loss adjustments | 82 | 500 | ----- |
| Total program (costs—obligations) | 3,351 | 2,500 | ----- |
| Financing: | | | |
| Advances and reimbursements from— | | | |
| Other accounts | 2,870 | 1,000 | ----- |
| Non-Federal sources (40 U.S.C. 481(c)) | 481 | 1,500 | ----- |
| Total financing | 3,351 | 2,500 | ----- |

Object Classification

| | 1 | | |
|---|---------|---------|-------|
| Total number of permanent positions | 1 | | |
| Number of employees at end of year | 0 | | ----- |
| 01 Personal services: | | | |
| Permanent positions | \$2,623 | | ----- |
| Positions other than permanent | 78 | | ----- |
| Total personal services | 2,701 | | ----- |
| 06 Printing and reproduction | 127 | \$1,000 | ----- |
| 09 Equipment | 357 | 1,500 | ----- |
| 11 Grants, subsidies, and contributions | 164 | | ----- |
| 15 Taxes and assessments | 2 | | ----- |
| Total obligations | 3,351 | 2,500 | ----- |

RURAL ELECTRIFICATION ADMINISTRATION**Current authorizations:**

To carry into effect the provisions of the Rural Electrification Act of 1936, as amended (7 U.S.C. 901–924), as follows:

LOAN AUTHORIZATIONS

For loans in accordance with said Act, and for carrying out the provisions of section 7 thereof, to be borrowed from the Secretary of the Treasury in accordance with the provisions of section 3(a) of said Act, as follows: Rural electrification program, [§\$136,000,000] \$110,000,000; and rural telephone program, [§\$79,000,000; and additional amounts, not to exceed \$25,000,000 for each program, may be borrowed under the same terms and conditions to the extent that such amount is required during the fiscal year 1960 under the then existing conditions for the expeditious and orderly development of the rural electrification program and rural telephone program] §\$80,000,000. (Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.)

Program and Financing

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|---------------|---------------|---------------|
| Program by activities: | | | |
| 1. Rural electrification | \$211,717,336 | \$225,000,000 | \$240,000,000 |
| 2. Rural telephone | 93,269,473 | 100,000,000 | 105,000,000 |
| Total program costs | 304,986,809 | 325,000,000 | 345,000,000 |
| 3. Relation of costs to obligations: | | | |
| Costs financed from obligations of other years, net (—) | -28,771,709 | | -44,000,000 |
| Obligations incurred for costs of other years, net | | 25,000,000 | ----- |
| Total program (obligations) (object class 16) | 276,215,100 | 350,000,000 | 301,000,000 |
| Financing: | | | |
| Unobligated balance brought forward (authorization to expend from public debt receipts) | -67,628,340 | -210,613,053 | -108,113,053 |
| Recovery of prior obligations | -9,699,813 | -7,500,000 | -3,000,000 |
| Unobligated balance carried forward (authorization to expend from public debt receipts) | 210,613,053 | 108,113,053 | 113,053 |
| Authorization to expend from public debt receipts (new obligational authority) | 409,500,000 | 240,000,000 | 190,000,000 |

The Administration conducts two major programs: (a) the rural electrification program to provide electric service to farms and other rural establishments; and (b) the rural telephone program to furnish and improve telephone service in rural areas. Funds for making loans are borrowed from the Secretary of the Treasury.

1. *Rural electrification.*—This program is financed through loans which bear 2% interest and must be repaid within a period not to exceed 35 years. Loans are also made for shorter periods at 2% interest to electrification borrowers to be reloaned to their consumers for wiring and for the installation of electrical and plumbing appliances and equipment.

When the rural electrification program was initiated in 1935, less than 11% of all farms had electric service. On June 30, 1959, about 96% of the farms were electrified. The major need for loan funds continues to be for system improvements and the generation of power to satisfy the steadily increasing requirements of consumers.

STATUS OF THE ELECTRIFICATION PROGRAM

| | <i>Program Financing</i> | 1959 actual | 1960 estimate | 1961 estimate |
|---|--------------------------|---------------|---------------|---------------|
| Loan funds available: | | | | |
| New loan authorization (including reserves of \$25,000,000 for each of the years 1959 and 1960) | \$342,000,000 | \$161,000,000 | \$110,000,000 | \$110,000,000 |
| Carryover from prior year | 63,350,336 | 210,589,749 | 108,089,749 | 2,000,000 |
| Rescissions of prior loans | 7,531,213 | 6,500,000 | | |
| Total loan funds available | 412,881,849 | 378,089,749 | 220,089,749 | |
| Less— | | | | |
| Loans approved | 17,292,100 | 245,000,000 | 220,000,000 | |
| Reserves not used | 25,000,000 | 25,000,000 | | |
| Balance to next year | 210,589,749 | 108,089,749 | 89,749 | |

Program Statistics

| | | | |
|-------------------------------|-----------------|-----------------|-----------------|
| Cumulative net loans | \$3,942,338,539 | \$4,180,838,539 | \$4,398,838,539 |
| Cumulative funds advanced | \$3,358,283,066 | \$3,583,263,066 | \$3,823,263,066 |
| Unadvanced funds, end of year | \$584,075,473 | \$597,575,473 | \$575,575,473 |
| Cumulative principal repaid | \$774,494,054 | \$878,844,054 | \$988,419,054 |
| Cumulative interest paid | \$372,997,314 | \$425,937,314 | \$486,137,314 |
| Cumulative miles energized | 1,437,073 | 1,457,073 | 1,477,073 |
| Cumulative consumers served | 4,653,502 | 4,783,502 | 4,913,502 |
| Number of borrowers | 1,083 | 1,084 | 1,084 |

2. *Rural telephone.*—Loans are made for the purpose of financing the improvement, expansion, construction, acquisition, and operation of the telephone lines and facilities or systems to furnish and improve telephone service in rural areas. The loans bear 2% interest and must be repaid within a period not to exceed 35 years.

In 1950, when the telephone program started, the Census of Agriculture showed 38.2% of all farms with telephone service, fewer in both number and percentage than in 1920. Approximately 65% of the farms now have telephone service. Cumulative Rural Electrification Administration loans through June 30, 1959, will eventually provide initial or improved service to an estimated 1,191,324 rural subscribers.

STATUS OF THE TELEPHONE PROGRAM

| | <i>Program Financing</i> | 1959 actual | 1960 estimate | 1961 estimate |
|---|--------------------------|---------------|---------------|---------------|
| Loan funds available: | | | | |
| New loan authorization (including reserves of \$25,000,000 for each of the years 1959 and 1960) | \$92,500,000 | \$104,000,000 | \$80,000,000 | \$80,000,000 |
| Carryover from prior year | 4,277,704 | 23,304 | 23,304 | |
| Rescissions of prior loans | 2,168,600 | 1,000,000 | 1,000,000 | |
| Total loan funds available | 98,946,304 | 105,023,304 | 81,023,304 | |
| Less loans approved | 98,923,000 | 105,000,000 | 81,000,000 | |
| Balance to next year | 23,304 | 23,304 | 23,304 | |

Program Statistics

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|---------------|---------------|---------------|
| Cumulative net loans..... | \$575,213,415 | \$679,213,415 | \$759,213,415 |
| Cumulative funds advanced..... | \$402,878,138 | \$502,878,138 | \$607,878,138 |
| Unadvanced funds, end of year..... | \$172,335,277 | \$176,335,277 | \$151,335,277 |
| Cumulative principal repaid..... | \$13,132,383 | \$19,367,383 | \$27,312,383 |
| Cumulative interest paid..... | \$9,145,846 | \$15,135,846 | \$23,860,846 |
| Route miles of line constructed or improved, cumulative..... | 182,893 | 230,893 | 278,893 |
| Subscribers, new and improved service, cumulative (estimated)..... | 630,000 | 838,000 | 1,046,000 |
| Number of borrowers..... | 665 | 735 | 805 |

3. Relation of costs to obligations.—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

| | 1958 actual | 1959 actual | 1960 estimate | 1961 estimate |
|--|----------------|----------------|------------------|------------------|
| Selected resources at end of year: Undisbursed loan obligations..... | \$794,882,271 | \$756,410,749 | \$773,910,749 | \$726,910,749 |
| Selected resources at start of year (—)..... | -794,882,271 | -756,410,749 | -773,910,749 | |
| Adjustment due to recovery of prior obligations..... | | 9,699,813 | 7,500,000 | 3,000,000 |
| Costs financed from obligations of other years, net (—)..... | -28,771,709 | | | -44,000,000 |
| Obligations incurred for costs of other years, net..... | | | 25,000,000 | |

Revenue, Expense, and Retained Earnings

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|--------------|---------------|---------------|
| For the fiscal year: | | | |
| Lending operations: | | | |
| Interest income..... | \$57,466,498 | \$61,613,700 | \$66,232,600 |
| Expense: | | | |
| Interest expense (statutory rates) ¹ | 56,068,034 | 60,061,500 | 64,493,500 |
| Provision for possible losses on loans..... | 926,652 | 988,000 | 1,044,000 |
| Total expense..... | 56,994,686 | 61,049,500 | 65,537,500 |
| Net difference ¹ | 471,812 | 564,200 | 695,100 |
| Administrative expenses (provided by annual appropriations): Salaries and expenses..... | 9,539,060 | 9,632,000 | 9,632,000 |
| Cumulative to end of fiscal year: | | | |
| Lending operations: | | | |
| Interest income..... | 528,407,520 | 590,021,220 | 656,253,820 |
| Expense: | | | |
| Interest expense (statutory rates) ¹ | 469,803,131 | 529,864,631 | 594,358,131 |
| Provision for possible losses on loans..... | 9,090,784 | 10,078,784 | 11,122,784 |
| Losses on foreclosed loans..... | 44,478 | 44,478 | 44,478 |
| Total expense..... | 478,933,393 | 539,987,893 | 605,525,393 |
| Net difference ¹ | 49,469,127 | 50,033,327 | 50,728,427 |
| Administrative expenses (provided by annual appropriations): Salaries and expenses..... | 125,333,910 | 134,965,910 | 144,597,910 |

¹ Does not take into consideration the interest costs incurred by Treasury in excess of the amount received from Rural Electrification Administration for funds made available to finance Rural Electrification Administration lending programs.

Financial Condition

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|-----------------|-----------------|-----------------|
| Assets: | | | |
| Loans and interest receivable, net..... | \$3,110,643,867 | \$3,326,754,500 | \$3,550,498,100 |
| Cash on hand..... | 244,884 | 250,000 | 250,000 |
| Cash on deposit with Treasury..... | 5,280,198 | 5,387,377 | 4,344,577 |
| Travel advances to employees and miscellaneous receivables..... | 90,478 | 100,000 | 100,000 |
| Total assets..... | 3,116,259,427 | 3,332,491,877 | 3,555,192,677 |
| Liabilities: | | | |
| Current..... | 833,106 | 890,000 | 629,000 |
| Government investment: | | | |
| Borrowings from Treasury..... | 2,923,323,444 | 3,138,934,800 | 3,361,201,500 |
| Appropriated administrative funds, net..... | 125,347,794 | 134,979,794 | 144,611,794 |
| Appropriated loan funds, net..... | 142,619,866 | 142,619,866 | 142,619,866 |
| Net difference between income and expense..... | 49,469,127 | 50,033,327 | 50,728,427 |
| Administrative expenses (—)..... | -125,333,910 | -134,965,910 | -144,597,910 |
| Total Government investment..... | 3,115,426,321 | 3,331,601,877 | 3,554,563,677 |

NOTE.—Undisbursed loan commitments outstanding are as follows: June 30, 1958, \$794,882,271; 1959, \$756,410,749; 1960, \$773,910,749; 1961, \$726,910,749.

SALARIES AND EXPENSES

For administrative expenses, including not to exceed \$500 for financial and credit reports, and not to exceed \$150,000 for employment pursuant to the second sentence of section 706(a) of the

Organic Act of 1944 (5 U.S.C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), \$9,632,000. (5 U.S.C. 511-512; 7 U.S.C. 901-924; Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.)

Appropriated 1960, \$9,632,000 Estimate 1961, \$9,632,000

Program and Financing

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|-------------|---------------|---------------|
| Program by activities: | | | |
| 1. Administration of rural electrification program..... | \$4,743,190 | \$4,770,700 | \$4,770,700 |
| 2. Administration of rural telephone program..... | 4,795,978 | 4,861,300 | 4,861,300 |
| Total costs ¹ | 9,539,168 | 9,632,000 | 9,632,000 |
| 3. Relation of costs to obligations: Costs financed from obligations of other years, net (—)..... | -13,050 | | |
| Total program (obligations)..... | 9,526,118 | 9,632,000 | 9,632,000 |
| Financing: | | | |
| 1959 appropriation available in 1958..... | 30,352 | | |
| Unobligated balance no longer available..... | 44,830 | | |
| New obligational authority..... | 9,601,300 | 9,632,000 | 9,632,000 |
| New obligational authority: | | | |
| Appropriation..... | \$9,019,000 | \$9,632,000 | \$9,632,000 |
| Transferred from "Conservation reserve program," Commodity Stabilization Service (73 Stat. 52)..... | 582,300 | | |
| Appropriation (adjusted)..... | 9,601,300 | 9,632,000 | 9,632,000 |

¹ Includes capital outlay as follows: June 30, 1959, \$62,516; 1960, \$86,675; 1961, \$86,700.

The Administration makes loans for the extension and improvement of electric and telephone services in rural areas. Business management and technical help is furnished borrowers where needed to protect the Government's loan security and to assure that construction and operation of their systems conform to approved standards and are adequate to provide continuous and reliable service.

3. Relation of costs to obligations.—The relationship is derived from year-end balances of selected resources and applicable adjustments as reflected in the following table:

| | 1958 actual | 1959 actual | 1960 estimate | 1961 estimate |
|---|----------------|----------------|------------------|------------------|
| Selected resources at end of year: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)..... | | | | |
| | | | \$25,598 | \$13,884 |
| Selected resources at start of year (—)..... | | | -25,598 | -13,884 |
| Adjustment of prior year costs and selected resources reported at start of year..... | | | -1,336 | - |
| Costs financed from obligations of other years, net (—)..... | | | -13,050 | - |

Object Classification

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|-------------|---------------|---------------|
| Total number of permanent positions..... | 1,067 | 1,062 | 1,062 |
| Full-time equivalent of all other positions..... | 3 | 3 | 3 |
| Average number of all employees..... | 1,018 | 1,001 | 994 |
| Number of employees at end of year..... | 1,000 | 981 | 974 |
| Average GS grade and salary..... | 9.2 | \$7,395 | \$7,420 |
| 01 Personal services: | | | |
| Permanent positions..... | \$7,523,765 | \$7,452,520 | \$7,466,530 |
| Positions other than permanent..... | 40,718 | 45,000 | 45,000 |
| Other personal services..... | 32,174 | 62,980 | 34,490 |
| Total personal services..... | 7,596,657 | 7,560,500 | 7,546,020 |
| 02 Travel..... | 1,018,609 | 1,056,000 | 1,056,000 |
| 03 Transportation of things..... | 19,200 | 27,000 | 27,000 |
| 04 Communication services..... | 111,507 | 120,000 | 120,000 |
| 05 Rents and utility services..... | 12,603 | 12,500 | 12,500 |
| 06 Printing and reproduction..... | 95,013 | 98,000 | 98,000 |
| 07 Other contractual services: | | | |
| Services performed by other agencies..... | 41,442 | 44,000 | 48,480 |
| Total contractual services..... | 42,040 | 88,300 | 48,300 |
| 08 Supplies and materials..... | 35,928 | 43,000 | 43,000 |
| 09 Equipment..... | 87,088 | 86,700 | 86,700 |
| 10 Grants, subsidies, and contributions..... | 481,150 | 480,000 | 480,000 |
| 11 Refunds, awards, and indemnities..... | 11,670 | 13,000 | 13,000 |
| 12 Taxes and assessments..... | 3,563 | 3,000 | 3,000 |
| 1959 program obligated in 1958..... | -30,352 | - | - |
| Total obligations..... | 9,526,118 | 9,632,000 | 9,632,000 |

RURAL ELECTRIFICATION ADMINISTRATION— Continued

Intragovernmental funds:

| ADVANCES AND REIMBURSEMENTS | | | |
|--|-------------|---------------|---------------|
| Program and Financing | | | |
| | 1959 actual | 1960 estimate | 1961 estimate |
| Program by activities: | | | |
| 1. Administration of rural electrification program | \$1,358 | \$1,965 | ----- |
| 2. Administration of rural telephone program | 1,400 | 2,035 | ----- |
| Total (costs—obligations) | 2,758 | 4,000 | ----- |
| Financing: | | | |
| Advances and reimbursements from other accounts | 2,758 | 4,000 | ----- |
| Object Classification | | | |
| Total number of permanent positions | 1 | 1 | ----- |
| Average number of employees | 1 | 1 | ----- |
| Number of employees at end of year | 0 | 0 | ----- |
| Average GS grade and salary | 4.8 | \$4,252 | 4.4 \$4,535 |
| 01 Personal services: Permanent positions | \$2,583 | \$3,740 | ----- |
| 11 Grants, subsidies, and contributions | 175 | 260 | ----- |
| Total obligations | 2,758 | 4,000 | ----- |

FARMERS HOME ADMINISTRATION

Current authorizations:

To carry into effect the provisions of titles I, II, and the related provisions of title IV of the Bankhead-Jones Farm Tenant Act, as amended (7 U.S.C. 1000–1031); the Farmers Home Administration Act of 1946 (7 U.S.C. 1001, note; 31 U.S.C. 82h; 12 U.S.C. 371; 35 D.C. Code 535; 60 Stat. 1062–1080); the Act of July 30, 1946 (40 U.S.C. 436–439); the Act of August 28, 1937, as amended (16 U.S.C. 590r–590x–3), for the development of facilities for water storage and utilization in the arid and semiarid areas of the United States; the provisions of title V of the Housing Act of 1949, as amended (42 U.S.C. 1471–1483), relating to financial assistance for farm housing; the Rural Rehabilitation Corporation Trust Liquidation Act, approved May 3, 1950 (40 U.S.C. 440–444); the items "Loans to farmers, 1948 flood damage" in the Act of June 25, 1948 (62 Stat. 1038), and "Loans to farmers, property damage" in the Act of May 24, 1949 (63 Stat. 82); the collecting and servicing of credit sales and development accounts in water conservation and utilization projects (53 Stat. 685, 719), as amended and supplemented (16 U.S.C. 590y, z–1 and z–10); and the Act to direct the Secretary of Agriculture to convey certain mineral interests, approved September 6, 1950 (7 U.S.C. 1033–1039), as follows:

LOAN AUTHORIZATIONS

For loans (including payments in lieu of taxes and taxes under section 50 of the Bankhead-Jones Farm Tenant Act, as amended, and advances incident to the acquisition and preservation of security of obligations under the foregoing several authorities, except that such advances under title V of the Housing Act of 1949, as amended, shall be made from funds obtained under section 511 of that Act, as amended): Title I and section 43 of title IV of the Bankhead-Jones Farm Tenant Act, as amended, [§24,000,000] \$20,000,000, of which not to exceed \$2,500,000 may be distributed to States and Territories without regard to farm population and prevalence of tenancy, in addition to the amount otherwise distributed thereto, for loans in reclamation projects and to entrymen on unpatented public lands; title II of the Bankhead-Jones Farm Tenant Act, as amended, [§180,000,000] \$154,000,000; the Act of August 28, 1937, as amended, [§2,000,000] \$3,000,000: *Provided*, That not to exceed the foregoing several amounts shall be borrowed in one account from the Secretary of the Treasury in accordance with the provisions set forth under this head in the Department of Agriculture Appropriation Act, 1952: *Provided further*, That an additional amount, not to exceed \$20,000,000, may be borrowed under the same terms and conditions to the extent that such amount is required during fiscal year 1960 under the then existing conditions for the expeditious and orderly conduct of the loan programs under the Bankhead-Jones

Farm Tenant Act, as amended, not to exceed \$5,000,000 of which shall be available for loans under title I and section 43 of title IV of such Act, as amended]. (Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.)

Program and Financing

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|--------------------|---------------------|---------------|
| Program by activities: | | | |
| 1. Farm ownership loans | \$28,079,340 | \$24,300,000 | \$20,249,000 |
| 2. Farm operating loans | 187,072,571 | 150,800,000 | 154,400,000 |
| 3. Soil and water conservation loans | 3,340,447 | 3,485,000 | 3,000,000 |
| 4. Farm housing loans | 60,552,257 | 42,900,000 | 25,700,000 |
| Total program costs | 279,044,615 | 251,485,000 | 203,349,000 |
| 5. Relation of costs to obligations: Costs financed from obligations of other years, net (—) Obligations incurred for costs of other years, net | ----- 2,606,416 | —5,485,000 ----- | —1,349,000 |
| Total program (obligations) (object class 16) | 281,651,031 | 246,000,000 | 202,000,000 |
| Financing: | | | |
| Unobligated balance brought forward (authorization to expend from public debt receipts) | 397,450,316 | —337,462,128 | —297,462,128 |
| Recovery of prior year obligations | —677,278 | ----- | ----- |
| Unobligated balance carried forward (authorization to expend from public debt receipts) | 337,462,128 | 297,462,128 | 272,462,128 |
| Unobligated balance no longer available | 523,435 | ----- | ----- |
| Authorization to expend from public debt receipts (new obligational authority) | 221,500,000 | 206,000,000 | 177,000,000 |

The Administration makes and insures loans to farmers unable to obtain credit from other sources at reasonable rates.

The total borrowing authorization requested for loans amounts to \$177 million, a reduction of \$29 million below the regular authorization for 1960. It is proposed to borrow \$25 million in 1961 under existing authority for farm housing loans.

In addition to the direct loans, farm ownership and soil and water conservation loans advanced by private lenders will be insured within the annual statutory insurance authority of \$125 million for farm ownership and \$25 million for soil and water conservation loans. Contingent liabilities for these insured loans are reflected in the farm tenant-mortgage insurance fund schedules.

Repayments of loans and interest are now paid into miscellaneous receipts of the Treasury. Legislation has been introduced in the Congress to authorize the use of loan repayments for new loans.

1. *Farm ownership loans.*—Direct farm ownership loans are made to tenants, sharecroppers, farm laborers, owners of inadequate farms, and eligible veterans for the purchase or improvement of family-type or less than family-type farms. Loans may be made to farmowners for the refinancing of secured or unsecured indebtedness. These loans may be made up to the fair value of the farm (normal market value on less than family-type farms to owner-operators with off-farm income) at not to exceed 5% interest up to 40 years. Farm ownership loans made with funds advanced by private lenders are insured by the Government up to 90% of the value of the farm for 40 years at not more than 4% interest, plus 0.5% as an insurance premium, and 0.5% as an administrative expense charge. The Administration services these insured loans, makes collections, and pays the lender.

FARM OWNERSHIP LOANS

| | 1959 actual | 1960 estimate | 1961 estimate | | | |
|------------------------|-------------|---------------|---------------|--------------|-------------|--------------|
| | Num- ber | Amount | Num- ber | Amount | Num- ber | Amount |
| Number of applications | 22,504 | \$28,999,938 | 18,565 | \$24,000,000 | 17,460 | \$20,000,000 |
| Direct loans | 2,004 | \$28,999,938 | 1,715 | \$24,000,000 | 1,410 | \$20,000,000 |
| Insured loans | 2,448 | \$35,733,594 | 935 | \$12,000,000 | 935 | \$12,000,000 |

2. Farm operating loans.—Direct loans are made for periods up to 7 years at 5% interest in amounts up to \$10,000, with a limitation of \$20,000 on the total principal indebtedness, to provide reasonable farm and home credit for the purchase of livestock, feed, seed, farm equipment and other farm necessities, including the refinancing of indebtedness to operators of not larger than family-type farms. In justifiable cases, loans may be made beyond 7 years but not beyond 10 years.

FARM OPERATING LOANS

| | 1959 actual | 1960 estimate | 1961 estimate |
|------------------------|---------------|---------------|---------------|
| Number of applications | 115,621 | 108,400 | 97,340 |
| Number of loans | 73,575 | 69,475 | 60,860 |
| Amount | \$186,999,940 | \$180,000,000 | \$154,000,000 |

3. Soil and water conservation loans.—Direct and insured loans are made to farmers and associations for the effective development and utilization of water supplies and for the improvement of farm land by soil and water conserving facilities and practices. Interest rates on these loans usually are set administratively at the same rates as farm ownership loans (5%) except that currently direct loans to associations are carrying a rate of one-half of 1% below loans to individuals. On each insured loan, at least 0.5% as an insurance premium and 0.5% as an administrative expense charge is retained by the Government. Loans are made for periods up to 20 years for individuals and 40 years for associations.

SOIL AND WATER CONSERVATION LOANS

| | 1959 actual | | 1960 estimate | | 1961 estimate | |
|------------------------|-------------|-------------|---------------|-----------|---------------|-------------|
| | Number | Amount | Number | Amount | Number | Amount |
| Number of applications | 1,950 | ----- | 2,040 | ----- | 2,000 | ----- |
| Direct loans: | | | | | | |
| To individuals | 647 | \$2,730,037 | 215 | \$900,000 | 380 | \$1,600,000 |
| To groups | 36 | 2,246,650 | 20 | 1,100,000 | 30 | 1,400,000 |
| Insured loans: | | | | | | |
| To individuals | 207 | 1,092,005 | 100 | 520,000 | 100 | 520,000 |
| To groups | 17 | 1,399,660 | 8 | 480,000 | 8 | 480,000 |

4. Farm housing loans.—Direct farm housing loans are made to farm owners for periods up to 33 years at 4% interest to construct, improve, alter, repair, or replace dwellings and other farm buildings. It is proposed to borrow \$25 million under continuing authority of \$450 million of which a balance of \$297,462,128 is estimated to be available at June 30, 1960.

FARM HOUSING LOANS

| | 1959 actual | 1960 estimate | 1961 estimate |
|------------------------|--------------|---------------|---------------|
| Number of applications | 17,111 | 14,000 | 12,000 |
| Number of loans | 8,186 | 5,670 | 3,570 |
| Amount | \$60,674,466 | \$40,000,000 | \$25,000,000 |

COLLECTIONS OF PRINCIPAL AND INTEREST

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|--------------|---------------|---------------|
| Direct farm ownership loans | \$28,693,146 | \$30,220,000 | \$31,370,000 |
| Farm operating loans | 193,001,669 | 191,332,400 | 202,346,000 |
| Direct soil and water conservation loans | 4,361,907 | 4,600,000 | 4,600,000 |
| Farm housing loans | 15,630,085 | 21,200,000 | 24,600,000 |

Total 241,686,807 247,352,400 262,916,000

5. Relation of costs to obligations.—The relationship of program costs to loan obligations is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

| | 1958 actual | 1959 actual | 1960 estimate | 1961 estimate |
|--|----------------|----------------|------------------|------------------|
| Selected resources at end of year (undisbursed loan obligations) | \$9,195,601 | \$10,659,838 | \$5,174,838 | \$3,825,838 |
| Selected resources at start of year (—) | 9,195,601 | —10,659,838 | —5,174,838 | |
| Adjustment of selected resources reported at start of year | 1,142,179 | ----- | ----- | |
| Costs financed from obligations of other years, net (—) | ----- | —5,485,000 | —1,349,000 | |
| Obligations incurred for costs of other years, net | 2,606,416 | ----- | ----- | |

| | Revenue Expense and Retained Earnings | | |
|--|---------------------------------------|---------------|---------------|
| | 1959 actual | 1960 estimate | 1961 estimate |
| For the fiscal year: | | | |
| Lending operations: | | | |
| Income: | | | |
| Interest on loans | \$34,529,242 | \$35,952,000 | \$36,545,000 |
| Other income | 61,253 | 45,000 | 40,000 |
| Total income | 34,590,495 | 35,997,000 | 36,585,000 |
| Expense: | | | |
| Interest on borrowings | 6,888,050 | 8,093,000 | 9,185,000 |
| Losses and writeoffs | 13,755,133 | 14,282,000 | 11,262,000 |
| Other expense | 10,030 | ----- | ----- |
| Increase or decrease (—) in allowance for losses: | | | |
| Loans | 1,183,995 | 519,542 | —359,000 |
| Interest and other | —4,334,137 | —3,960,052 | —2,747,510 |
| —7,779 | ----- | ----- | ----- |
| Adjustment of prior year expense | ----- | ----- | ----- |
| Total expense | 17,495,292 | 18,934,490 | 17,340,490 |
| Net income from lending operations ¹ | 17,095,203 | 17,062,510 | 19,244,510 |
| Administrative expenses (provided by annual appropriations) | 31,026,384 | 30,794,750 | 31,537,650 |
| Cumulative to end of fiscal year: | | | |
| Lending operations: Income: | | | |
| Net results of prior year operations ¹ | 149,651,320 | 166,746,523 | 183,809,033 |
| Net income for year ¹ | 17,095,203 | 17,062,510 | 19,244,510 |
| Total lending operations ¹ | 166,746,523 | 183,809,033 | 203,053,543 |
| Administrative expenses (provided by annual appropriations): | | | |
| Prior year expense | 319,638,403 | 350,664,787 | 381,459,537 |
| For the year | 31,026,384 | 30,794,750 | 31,537,650 |
| Total administrative expenses | 350,664,787 | 381,459,537 | 412,997,187 |

¹ Does not take into consideration the interest costs incurred by Treasury on loan funds appropriated to Farmers Home Administration.

Financial Condition

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|--------------|---------------|---------------|
| Assets: | | | |
| Cash | \$21,532,070 | \$15,229,820 | \$13,938,181 |
| Interest on loans and accounts receivable, net | 24,127,411 | 23,987,535 | 23,533,295 |
| Other current assets | 190,720 | 190,720 | 190,720 |
| Total current assets | 45,850,201 | 39,408,075 | 37,662,196 |
| Loans receivable | 829,377,285 | 861,166,285 | 831,128,285 |
| Allowance for losses on loans receivable (—) | —83,466,633 | —83,986,175 | —83,627,175 |
| Fixed property and equipment, net | 2,511,729 | 2,511,729 | 2,511,729 |
| Judgments and acquired security, net | 1,065,475 | 1,295,403 | 1,529,153 |
| Total assets | 795,338,057 | 820,395,317 | 789,204,188 |
| Liabilities: | | | |
| Current | 3,021,257 | 3,266,007 | 3,222,907 |
| Government investment: | | | |
| Borrowings from Treasury | 292,889,155 | 300,639,155 | 249,439,155 |
| Appropriations | 496,736,346 | 527,481,096 | 559,876,207 |
| Assets taken over from prior agencies, net | 438,214,767 | 438,214,767 | 438,214,767 |
| Results from lending operations, net | 166,746,523 | 183,809,033 | 203,053,543 |
| Administrative expenses (—) | —350,664,787 | —381,459,537 | —412,997,187 |
| Depreciation on automotive equipment (—) | —13,411 | —13,411 | —13,411 |
| Deposit of general and special fund revenue (—) | —251,591,793 | —251,591,793 | —251,591,793 |
| Total Government investment | 792,316,800 | 817,129,310 | 785,981,281 |

NOTE.—Undisbursed loan commitments outstanding are as follows: June 30, 1958, \$9,195,601; 1959, \$11,027,338; 1960, \$5,642,338; 1961, \$4,153,338.

SALARIES AND EXPENSES

For making, servicing, and collecting loans and insured mortgages, the servicing and collecting of loans made under prior authority, the liquidation of assets transferred to Farmers Home Administration, and other administrative expenses, [\$30,744,750] \$31,467,650, together with a transfer of not to exceed [\$1,000,000] \$1,100,000 of the fees and administrative expense charges made available by subsections (d) and (e) of section 12 of the Bankhead-Jones Farm Tenant Act, as amended (7 U.S.C. 1005(b)), and section 10(c) of the Act of August 28, 1937, as amended. (7 U.S.C. 1040; Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.)

Appropriated 1960, \$30,744,750

Estimate 1961, \$31,467,650

FARMERS HOME ADMINISTRATION—Continued**Current authorizations—Continued****SALARIES AND EXPENSES—Continued****Program and Financing**

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|--------------|---------------|---------------|
| Program by activities: | | | |
| 1. Administration of direct and insured loan programs (total program costs) ¹ | \$32,104,019 | \$31,744,750 | \$32,532,650 |
| 2. Relation of costs to obligations: Costs financed from obligations of other years, net (—) | —68,015 | ----- | ----- |
| Total program (obligations) ----- | 32,036,004 | 31,744,750 | 32,532,650 |
| Financing: | | | |
| 1959 appropriation available in 1958----- | 41,747 | ----- | ----- |
| Advanced from the "Farm tenant-mortgage insurance fund"----- | —975,000 | —1,000,000 | —1,065,000 |
| Unobligated balance no longer available----- | 86,749 | ----- | ----- |
| New obligational authority----- | 31,189,500 | 30,744,750 | 31,467,650 |
| New obligational authority: | | | |
| Appropriation----- | \$29,089,500 | \$30,744,750 | \$31,467,650 |
| Transferred from "Conservation reserve program," Commodity Stabilization Service (73 Stat. 52)----- | 2,100,000 | ----- | ----- |
| Appropriation (adjusted)----- | 31,189,500 | 30,744,750 | 31,467,650 |

¹ Includes capital outlay as follows: 1959, \$193,572; 1960, \$70,000; 1961, \$48,000.

1. These moneys are used to administer the loan programs of the Farmers Home Administration including reviewing applications, making and collecting loans, and providing technical assistance and guidance to borrowers, as described under Loan authorizations.

2. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources as reflected in the following table:

| Selected resources at end of year: Inventories and items on order: | 1958 actual | 1959 actual | 1960 estimate | 1961 estimate |
|--|----------------|----------------|------------------|------------------|
| Equipment not placed in use----- | \$24,575 | ----- | ----- | ----- |
| Stores----- | 185,392 | \$175,966 | \$175,966 | \$175,966 |
| Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)----- | 158,145 | 124,131 | 124,131 | 124,131 |
| Total selected resources at end of year----- | 368,112 | 300,097 | 300,097 | 300,097 |
| Selected resources at start of year (—)----- | —368,112 | —300,097 | —300,097 | —300,097 |
| Costs financed from obligations of other years, net (—)----- | —68,015 | ----- | ----- | ----- |

Object Classification

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|--------------|---------------|---------------|
| Total number of permanent positions: | | | |
| Full-time equivalent of all other positions----- | 4,686 | 4,696 | 4,519 |
| Average number of all employees----- | 425 | 439 | 475 |
| Number of employees at end of year----- | 4,991 | 4,863 | 4,901 |
| Average GS grade and salary----- | 9,807 | 9,930 | 9,765 |
| 01 Personal services: | 6.2 | \$5,386 | 6.3 \$5,470 |
| Permanent positions----- | \$24,621,964 | \$24,469,235 | \$24,516,684 |
| Positions other than permanent----- | 637,476 | 666,620 | 802,916 |
| Other personal services----- | 189,243 | 279,145 | 186,900 |
| Total personal services----- | 25,448,683 | 25,415,000 | 25,506,500 |
| 02 Travel----- | 2,833,376 | 2,705,000 | 2,757,000 |
| 03 Transportation of things----- | 109,638 | 92,000 | 105,000 |
| 04 Communication services----- | 534,576 | 555,000 | 562,000 |
| 05 Rents and utility services----- | 890,736 | 875,000 | 880,900 |
| 06 Printing and reproduction----- | 151,189 | 140,000 | 165,000 |
| 07 Other contractual services----- | 217,313 | 254,000 | 488,000 |
| 08 Services performed by other agencies----- | 23,277 | 22,000 | 22,000 |
| 09 Equipment----- | 175,296 | 65,000 | 75,000 |
| 11 Grants, subsidies, and contributions----- | 87,581 | 25,000 | 50,000 |
| 13 Refunds, awards, and indemnities----- | 1,578,068 | 1,570,050 | 1,594,550 |
| 15 Awards for employee suggestions----- | 20,355 | 17,500 | 20,000 |
| 1959 taxes and assessments----- | 7,363 | 6,000 | 6,500 |
| Total obligations----- | 32,036,004 | 31,744,750 | 32,532,650 |

ALLOCATIONS AND ALLOTMENTS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allocations and allotments from other accounts are included in the schedules of the parent appropriations as follows:
 "Mutual security—economic," funds appropriated to the President.
 "Watershed protection," Soil Conservation Service.

Public enterprise funds:**DISASTER LOANS, ETC., REVOLVING FUND****Program and Financing**

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|--------------|---------------|---------------|
| Program by activities: | | | |
| Capital outlay (obligations): | | | |
| 1. Loan commitments: | | | |
| (a) Production emergency loans----- | \$33,232,546 | \$30,200,000 | \$29,000,000 |
| (b) Economic emergency loans----- | 1,339,400 | 600,000 | 400,000 |
| (c) Special livestock loans----- | 2,672,980 | 1,200,000 | 750,000 |
| (d) Special emergency loans----- | 2,415,040 | ----- | ----- |
| (e) Other loans----- | 55,027 | 50,000 | 50,000 |
| 2. Judgments and collateral acquired----- | 30,859 | 25,125 | 35,000 |
| Total, capital outlay----- | 39,798,852 | 32,075,125 | 30,235,000 |
| Operations (obligations): | | | |
| 3. Administrative expenses----- | 4,146,997 | 3,394,200 | 2,939,200 |
| 4. Other expense----- | 54,844 | 220,295 | 249,313 |
| Total, operations----- | 4,201,841 | 3,614,495 | 3,188,513 |
| Total program (obligations)----- | 44,000,693 | 35,689,620 | 33,423,513 |
| Financing: | | | |
| Amounts becoming available: Revenue and receipts: | | | |
| Repayments on loans----- | 70,852,808 | 41,000,000 | 27,460,000 |
| Proceeds from sale of acquired chattels----- | 22,417 | ----- | ----- |
| Payments on judgments----- | 39,317 | 44,000 | 66,000 |
| Interest revenue----- | 2,557,008 | 1,761,842 | 1,499,200 |
| Other revenue----- | 681 | 1,800 | 1,800 |
| Adjustment of prior year expense----- | 105,045 | ----- | ----- |
| Total amounts becoming available----- | 73,627,276 | 42,807,642 | 29,027,000 |
| Unobligated balance brought forward----- | 38,330,563 | 67,957,146 | 75,075,168 |
| Total amounts available----- | 111,957,839 | 110,764,788 | 104,102,168 |
| Unobligated balance carried forward----- | —67,957,146 | —75,075,168 | —70,673,655 |
| Financing applied to program----- | 44,000,693 | 35,689,620 | 33,423,513 |

Purpose and financial organization.—This fund finances loans to farmers and stockmen in the event of disasters and other emergencies, in areas where agricultural credit is not readily available. The fund is also available within statutory limits for emergency assistance in furnishing feed and seed in areas suffering major disasters. The fund was created by the transfer of the assets of the Regional Agricultural Credit Corporation of Washington which was abolished.

Budget program—1. Loan commitments—(a) Production emergency loans.—Loans are made at 3% interest to farmers and stockmen suffering production disasters.

(b) Economic emergency loans.—Loans may be made at 3% interest in any economic disaster area declared by the President.

(c) Special livestock loans.—For 4 years after July 14, 1953, loans were authorized to be made at 5% interest to established livestock producers who had a reasonable chance of working out their difficulties with supplementary financing. Supplemental loans may be made for an additional 4 years after July 14, 1957, to individuals already indebted.

(d) Special emergency loans.—The authority to make special emergency loans up to a total of \$65 million expired on June 30, 1959.

(e) Other loans.—Where necessary to protect the Government's investment, obligations are incurred in connection with outstanding loans to provide for payment of such costs as taxes and insurance. When this is done, such advances are charged to the borrowers' accounts.

3. Administrative expenses.—The principal administrative expenses in each of the 3 years are related to the loan programs of the Farmers Home Administration. These expenses are estimated at \$3,200,000 in 1960 and \$2,800,000 in 1961. Administrative expenses of the Commodity Stabilization Service are estimated at \$165,000 in 1960 and \$110,000 in 1961, in connection with the final audit of the emergency feed program. Administrative expenses for the Office of the General Counsel for 1960 are estimated at \$29,200 in each of the years 1960 and 1961.

Financing the budget program.—No new budgetary authorization is required for 1961. A net loss of \$3 million is estimated on an accrual basis. Net expenditures of \$4.6 million are anticipated on a cash basis due primarily to estimated excess loan advances over loan repayments during the year.

During 1961, the program will be wholly financed by receipts from operations.

Operating results and financial condition.—Revenue for 1961, consisting principally of interest on loans, is estimated at \$1.5 million, compared to expense of \$4.5 million, resulting in an estimated loss of \$3 million. A net loss of \$3.1 million is estimated for 1960, and a net loss of \$1.4 million resulted in 1959. A change in the formula for determining valuation reserves on loans effective during 1959 reduced the loss for the year.

Loans receivable, after allowance for losses, are expected to amount to \$45.7 million on June 30, 1961, as compared with \$44.3 million at June 30, 1960, and \$53.8 million on June 30, 1959.

The Government investment at June 30, 1961, is expected to be \$117.1 million, consisting of \$205.9 million appropriated and donated, less a deficit of \$88.8 million.

Sources and Application of Funds (Operations)

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|--------------|---------------|---------------|
| Gross expenditures (funds applied): | | | |
| Loan program: | | | |
| Acquisition of loans..... | \$39,471,450 | \$32,809,470 | \$30,200,000 |
| Acquisitions in lieu of interest receivable: | | | |
| Collateral..... | 2,245 | 4,000 | 5,000 |
| Judgments taken..... | 28,614 | 21,125 | 30,000 |
| Expense..... | 4,213,699 | 3,532,100 | 3,140,700 |
| Increase in selected working capital..... | | | 273,450 |
| Total gross expenditures..... | 43,716,008 | 36,366,695 | 33,649,150 |
| Receipts from operations (funds provided): | | | |
| Loan program: | | | |
| Repayments on loans..... | 70,882,808 | 41,000,000 | 27,460,000 |
| Acquired security or collateral..... | 22,417 | | |
| Payments on judgments..... | 59,317 | 44,000 | 66,000 |
| Revenue..... | 2,557,689 | 1,763,642 | 1,501,000 |
| Decrease in selected working capital..... | 1,253,847 | 283,880 | |
| Total receipts from operations..... | 74,776,078 | 43,091,522 | 29,027,000 |
| Budget expenditures..... | -31,060,070 | -6,724,827 | 4,622,150 |

Revenue, Expense, and Retained Earnings

| | | | |
|--|-------------|-------------|-------------|
| Operating program: | | | |
| Revenue..... | \$2,557,689 | \$1,763,642 | \$1,501,000 |
| Expense..... | 4,000,639 | 4,889,984 | 4,503,888 |
| Net operating loss (-)..... | -1,442,950 | -3,126,342 | -3,002,888 |
| Nonoperating income: | | | |
| Proceeds from disposition of collateral: | | | |
| Cash sales..... | 22,417 | | |
| Exchanged for loans receivable..... | 32,515 | 60,000 | 40,000 |
| Total proceeds from disposition of collateral..... | 54,932 | 60,000 | 40,000 |
| Net book value of assets sold (-)..... | -54,154 | -60,000 | -40,000 |
| Net gain from disposition of collateral..... | 778 | | |
| Miscellaneous nonoperating income..... | 192 | | |
| Net nonoperating income..... | 970 | | |
| Net loss (-) for the year..... | -1,441,980 | -3,126,342 | -3,002,888 |
| Deficit (-), beginning of year..... | -81,237,746 | -82,679,726 | -85,806,068 |
| Deficit (-), end of year..... | -82,679,726 | -85,806,068 | -88,808,956 |

| Financial Condition | | | |
|--------------------------------------|--------------|---------------|---------------|
| | 1959 actual | 1960 estimate | 1961 estimate |
| Assets: | | | |
| Cash with Treasury..... | \$63,757,734 | \$70,482,561 | \$65,860,411 |
| Accounts receivable, net..... | 5,584,505 | 5,350,677 | 5,522,514 |
| Loans receivable, net..... | 53,831,283 | 44,343,356 | 45,699,856 |
| Acquired security or collateral..... | 48,141 | 22,141 | 17,141 |
| Judgments, net..... | 196,794 | 225,827 | 267,952 |
| Total assets..... | 123,418,457 | 120,424,562 | 117,367,874 |
| Liabilities: | | | |
| Current..... | 240,038 | 372,485 | 318,685 |
| Government investment: | | | |
| Non-interest-bearing capital..... | 205,858,145 | 205,858,145 | 205,858,145 |
| Deficit (-)..... | -82,679,726 | -85,806,068 | -88,808,956 |
| Total Government investment..... | 123,178,419 | 120,052,077 | 117,049,189 |

| Status of Certain Fund Balances | | | | |
|--|--------------|--------------|---------------|---------------|
| | 1958 actual | 1959 actual | 1960 estimate | 1961 estimate |
| Unexpended balance: | | | | |
| Cash with Treasury..... | \$32,697,664 | \$63,757,734 | \$70,482,561 | \$65,860,411 |
| Obligated balance, net: | | | | |
| Current liabilities..... | 477,205 | 240,038 | 372,485 | 318,685 |
| Undisbursed loan commitments..... | 848,511 | 1,145,055 | 385,585 | 385,585 |
| Accounts receivable, net, and cash in transit (-)..... | -6,958,615 | -5,584,505 | -5,350,677 | 5,522,514 |
| Total obligated balance..... | -5,632,899 | -4,199,412 | -4,592,607 | -4,818,244 |
| Unobligated balance | 38,330,563 | 67,957,146 | 75,075,168 | 70,678,655 |

| Object Classification | | | | |
|--|-------------|---------------|---------------|---------|
| | 1959 actual | 1960 estimate | 1961 estimate | |
| FARMERS HOME ADMINISTRATION | | | | |
| Total number of permanent positions..... | 604 | 422 | 423 | |
| Full-time equivalent of all other positions..... | 119 | 181 | 94 | |
| Average number of all employees..... | 715 | 592 | 502 | |
| Number of employees at end of year..... | 647 | 570 | 505 | |
| Average GS grade and salary..... | 5.3 | \$4,973 | 5.4 | \$4,952 |
| 5.3 | \$4,973 | 5.4 | \$4,952 | 5.8 |
| 01 Personal services: | | | | |
| Permanent positions..... | \$2,965,060 | \$2,032,550 | \$2,015,400 | |
| Positions other than permanent..... | 498,941 | 759,000 | 380,090 | |
| Other personal services..... | 17,457 | 22,450 | 14,510 | |
| Total personal services..... | 3,481,458 | 2,814,000 | 2,410,000 | |
| 02 Travel..... | 277,197 | 227,500 | 229,000 | |
| 06 Printing and reproduction..... | 5,730 | 5,000 | 5,000 | |
| 07 Other contractual services..... | 10,187 | 9,500 | 28,500 | |
| 11 Grants, subsidies, and contributions..... | 191,847 | 132,000 | 117,500 | |
| 15 Taxes and assessments..... | 10,856 | 12,000 | 10,000 | |
| 16 Investments and loans..... | 39,798,852 | 32,075,125 | 30,235,000 | |
| Undistributed charges..... | 54,844 | 220,295 | 249,313 | |
| Total, Farmers Home Administration..... | 43,831,025 | 35,495,420 | 33,284,313 | |
| ALLOTMENT ACCOUNTS | | | | |
| Total number of permanent positions..... | 18 | 13 | 12 | |
| Full-time equivalent of all other positions..... | 1 | 1 | 1 | |
| Average number of all employees..... | 18 | 13 | 12 | |
| Number of employees at end of year..... | 8 | 6 | 5 | |
| Average GS grade and salary..... | 6.2 | \$5,408 | 6.1 | \$5,422 |
| 6.2 | \$5,408 | 6.1 | \$5,422 | 6.1 |
| 01 Personal services: | | | | |
| Permanent positions..... | \$129,738 | \$101,830 | \$99,515 | |
| Positions other than permanent..... | 5,071 | 2,500 | 2,400 | |
| Other personal services..... | 443 | 400 | 300 | |
| Total personal services..... | 135,252 | 104,730 | 102,215 | |
| 02 Travel..... | 19,619 | 12,300 | 12,100 | |
| 03 Transportation of things..... | | 100 | 100 | |
| 04 Communication services..... | 1,010 | 1,200 | 1,200 | |
| 06 Printing and reproduction..... | 314 | 1,900 | 1,900 | |
| 07 Other contractual services..... | 1,040 | 2,500 | 2,615 | |
| Advanced to— | | | | |
| “Local administration, sec. 388, Agricultural Adjustment Act of 1938; Agriculture” (7 U.S.C. 1388) | | | | |
| | | | | |
| “Administrative expense, sec. 392, Agricultural Adjustment Act of 1938” (7 U.S.C. 1392) | | | | |
| 5,000 | | 35,000 | 6,000 | |
| 08 Supplies and materials..... | 504 | 600 | 500 | |
| 09 Equipment..... | | 100 | | |
| 11 Grants, subsidies, and contributions..... | 6,765 | 6,570 | 6,470 | |
| 13 Refunds, awards, and indemnities..... | 12 | 100 | | |
| 15 Taxes and assessments..... | 152 | 100 | 100 | |
| Total, allotment accounts..... | 169,668 | 194,200 | 139,200 | |
| Total obligations..... | 44,000,693 | 35,689,620 | 33,423,513 | |

FARMERS HOME ADMINISTRATION—Continued**Public enterprise funds—Continued****DISASTER LOANS, ETC., REVOLVING FUND—Continued****Object Classification—Continued**

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|--------------|---------------|---------------|
| Obligations are distributed as follows: | | | |
| Farmers Home Administration..... | \$43,831,025 | \$35,495,420 | \$33,284,313 |
| Commodity Stabilization Service..... | 143,444 | 165,000 | 110,000 |
| Office of the General Counsel..... | 26,224 | 29,200 | 29,200 |

FARM TENANT-MORTGAGE INSURANCE FUND**Program and Financing**

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|-------------|---------------|---------------|
| Program by activities: | | | |
| Capital outlay (obligations): | | | |
| Loans made: | | | |
| For payment of delinquent installments..... | \$1,342,688 | \$1,600,000 | \$1,600,000 |
| For other advances..... | 61,704 | 148,000 | 100,000 |
| From fund for later sale..... | 3,282,680 | 1,000,000 | 1,000,000 |
| Purchase of loans from lenders..... | 28,372,962 | 7,200,000 | 13,000,000 |
| Collateral acquired by default..... | 15,816 | | |
| Total, capital outlay..... | 33,075,850 | 9,948,000 | 15,700,000 |
| Operations (obligations): | | | |
| Administrative expenses..... | 975,000 | 1,000,000 | 1,065,000 |
| Costs incident to acquired real estate..... | 2,700 | 4,000 | 4,000 |
| Writeoffs, interest on loans receivable..... | 235 | 200 | 200 |
| Interest on borrowings from Treasury..... | 401,400 | 1,200,000 | 1,600,000 |
| Total, operations..... | 1,379,335 | 2,204,200 | 2,669,200 |
| Total program (obligations)..... | 34,455,185 | 12,152,200 | 18,369,200 |
| Financing: | | | |
| Amounts becoming available: | | | |
| Authorization to expend from public debt receipts..... | | | |
| Revenue and receipts: | | | |
| Repayments on advances and loans held..... | 26,735,000 | 2,700,000 | 7,630,000 |
| Sale of loans..... | 3,340,276 | 4,155,000 | 4,700,000 |
| Proceeds from sale of acquired real estate..... | 1,639,587 | 2,800,000 | 2,800,000 |
| Insurance premiums..... | 114,084 | 120,000 | 143,000 |
| Interest income..... | 2,039,146 | 2,200,000 | 2,200,000 |
| Fees and other income..... | 483,894 | 1,000,000 | 1,250,000 |
| Recovery of prior year obligations..... | 55,849 | 52,000 | 43,000 |
| Total amounts becoming available..... | 34,537,318 | 13,027,000 | 18,766,000 |
| Unobligated balance brought forward..... | 2,836,777 | 2,918,910 | 3,793,710 |
| Total amounts available..... | 37,374,095 | 15,945,910 | 22,559,710 |
| Unobligated balance carried forward..... | -2,918,910 | -3,793,710 | -4,190,510 |
| Financing applied to program..... | 34,455,185 | 12,152,200 | 18,369,200 |

Purpose and financial organization.—This fund, authorized in the Bankhead-Jones Farm Tenant Act (7 U.S.C. 1005(a)), relates to insured farm ownership loans and soil and water conservation loans. The insurance endorsement on each loan includes an agreement by the Government to purchase the loan after a specified period at the holder's option. The initial fund of \$1 million is supplemented by charges collected from insured farm ownership and soil and water conservation loan borrowers, inspection and appraisal fees, and other charges. Receipts are available for administrative expenses and to cover losses. Public Law 85-748, approved August 25, 1958 (72 Stat. 840), authorized for the first time the making of loans from the fund to be sold individually or in blocks and insured. Not in excess of \$5 million may be borrowed from the Secretary of the Treasury to facilitate the blocking of such loans. Public Law 85-748 also changed the method of determining the interest paid the Secretary of the Treasury on borrowings to relate the charges to the current average market yields of outstanding marketable obligations of the United States.

Budget program.—Advances and purchases of loans are estimated at \$15.7 million in 1961, an increase of \$5.8 over 1960 and a decrease of \$17.3 below 1959. Included is \$1 million in 1960 and \$1 million in 1961 for making loans under the new statutory authority which will later be sold on an insured basis.

Financing.—In order to finance the various operations, it is estimated that it will be necessary to utilize the statutory authorization (7 U.S.C. 1005c) to borrow from the Treasury in the net amount of \$2,700,000 in 1960. Net borrowings from the Treasury of \$7,630,000 are anticipated in 1961.

Operating results and retained earnings.—Total income, consisting principally of insurance premiums, is estimated at \$3.5 million in 1961, an increase of about \$0.3 million from 1960.

The necessity to purchase loans is expected to result in outstanding loans receivable of \$45.4 million at June 30, 1961. Retained earnings, which are for absorption of any future losses, are estimated to be \$9.3 million at the end of 1961. These earnings, when added to the \$1 million appropriation and estimated borrowings of \$39.5 million from the Treasury, represent a \$49.8 million Government investment.

POSITION WITH RESPECT TO INSURANCE AUTHORITY

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|---------------|---------------|---------------|
| Annual mortgage insurance authority..... | \$150,000,000 | \$150,000,000 | \$150,000,000 |
| Charges against mortgage insurance authority during the year: | | | |
| Mortgages insured..... | 32,286,178 | 9,525,000 | 9,500,000 |
| Commitments to insure pending advances by lenders..... | 7,320,845 | 3,475,000 | 3,500,000 |
| Mortgages accepted for the account of the fund, net..... | 415,927 | 350,000 | 300,000 |
| Total charges against authority..... | 40,022,950 | 13,350,000 | 13,300,000 |
| Unused insurance authority..... | 109,977,050 | 136,650,000 | 136,700,000 |

Sources and Application of Funds (Operations)

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|-------------|---------------|---------------|
| Gross expenditures (funds applied): | | | |
| Loans made: | | | |
| Payment of delinquent installments..... | \$1,342,693 | \$1,600,000 | \$1,600,000 |
| Advances on behalf of borrowers..... | 609 | 150,000 | 100,000 |
| From fund for later sale..... | 2,418,840 | 1,850,000 | 1,000,000 |
| Purchase of loans from lenders..... | 28,615,743 | 7,400,000 | 13,000,000 |
| Acquired property..... | 15,816 | | |
| Expense..... | 1,379,349 | 2,204,200 | 2,669,200 |
| Increase in selected working capital..... | 132,712 | 269,800 | 462,800 |
| Total gross expenditures..... | 33,905,762 | 13,474,000 | 18,832,000 |
| Receipts from operations (funds provided): | | | |
| Loan repayments: | | | |
| On advances and loans held..... | 3,340,276 | 4,155,000 | 4,700,000 |
| Sale of loans..... | 1,639,587 | 2,800,000 | 2,800,000 |
| Sale of acquired property..... | 114,084 | 120,000 | 143,000 |
| Revenue..... | 2,578,889 | 3,252,000 | 3,493,000 |
| Total receipts from operations..... | 7,672,836 | 10,327,000 | 11,136,000 |
| Budget expenditures..... | 26,232,926 | 3,147,000 | 7,696,000 |

Revenue, Expense, and Retained Earnings

| | | | |
|---|-------------|-------------|-------------|
| Operating program: | | | |
| Revenue..... | \$2,578,889 | \$3,252,000 | \$3,493,000 |
| Expense..... | 1,413,967 | 2,244,200 | 2,709,200 |
| Net income..... | 1,164,922 | 1,007,800 | 783,800 |
| Nonoperating income or loss (-): | | | |
| Proceeds from disposition of acquired property: | | | |
| Cash sales..... | 114,084 | 120,000 | 143,000 |
| Exchanged for loans receivable..... | 72,858 | 140,000 | 150,000 |
| Total proceeds from disposition of acquired property..... | 186,942 | 260,000 | 293,000 |
| Net book value of assets sold (-)..... | -188,532 | -258,000 | -291,000 |
| Net gain or loss (-) from disposition of acquired property..... | -1,590 | 2,000 | 2,000 |
| Miscellaneous nonoperating income..... | 253 | | |
| Net nonoperating income or loss (-)..... | -1,337 | 2,000 | 2,000 |
| Net income for the year..... | 1,163,555 | 1,009,800 | 785,800 |
| Retained earnings, beginning of year..... | 6,297,000 | 7,460,585 | 8,470,385 |
| Retained earnings, end of year..... | 7,460,585 | 8,470,385 | 9,256,185 |

| Financial Condition | | | |
|--|-------------|---------------|---------------|
| | 1959 actual | 1960 estimate | 1961 estimate |
| Assets: | | | |
| Cash with Treasury----- | \$1,615,876 | \$1,168,876 | \$1,102,876 |
| Accounts receivable, net----- | 2,515,311 | 2,785,111 | 3,247,911 |
| Loans receivable, net----- | 33,413,814 | 37,328,814 | 45,388,814 |
| Judgments----- | 684 | 684 | 684 |
| Property acquired through foreclosure----- | 140,534 | 112,534 | 71,534 |
| Total assets----- | 37,686,219 | 41,396,019 | 49,811,819 |
| Liabilities: | | | |
| Current----- | 5,634 | 5,634 | 5,634 |
| Government investment: | | | |
| Interest-bearing capital: | | | |
| Start of year----- | 2,485,000 | 29,220,000 | 31,920,000 |
| Borrowings from Treasury during year, net----- | 26,735,000 | 2,700,000 | 7,630,000 |
| End of year----- | 29,220,000 | 31,920,000 | 39,550,000 |
| Non-interest-bearing capital----- | 1,000,000 | 1,000,000 | 1,000,000 |
| Retained earnings----- | 7,460,585 | 8,470,385 | 9,256,185 |
| Total Government investment----- | 37,680,585 | 41,390,385 | 49,806,185 |

NOTE.—This statement excludes contingent liabilities for insured loans in principal amounts of \$168,716,410 at June 30, 1959; \$160,536,410 at June 30, 1960; and \$144,126,410 at June 30, 1961.

Status of Certain Fund Balances

| | 1958 actual | 1959 actual | 1960 estimate | 1961 estimate |
|--|-------------|-------------|---------------|---------------|
| Unexpended balance: | | | | |
| Cash with Treasury----- | \$1,113,802 | \$1,615,876 | \$1,168,876 | \$1,102,876 |
| Obligated balance, net: | | | | |
| Current liabilities----- | 5,719 | 5,634 | 5,634 | 5,634 |
| Undisbursed commitments to purchase loans----- | 650,194 | 339,519 | 139,519 | 139,519 |
| Undisbursed commitments to make loans from fund----- | | 863,840 | 13,840 | 13,840 |
| Undisbursed commitments to pay recoverable loan costs----- | 3,796 | 3,284 | 1,284 | 1,284 |
| Accounts receivable, net, and cash in transit (-)----- | -2,382,684 | -2,515,311 | -2,785,111 | -3,247,911 |
| Total obligated balance----- | -1,722,975 | -1,303,034 | -2,624,834 | -3,087,634 |
| Unobligated balance----- | 2,836,777 | 2,918,910 | 3,793,710 | 4,190,510 |

Object Classification

| | 1959 actual | 1960 estimate | 1961 estimate |
|------------------------------------|-------------|---------------|---------------|
| 07 Other contractual services----- | \$977,935 | \$1,004,200 | \$1,069,200 |
| 14 Interest----- | 401,400 | 1,200,000 | 1,600,000 |
| 16 Investments and loans----- | 33,075,850 | 9,948,000 | 15,700,000 |
| Total obligations----- | 34,455,185 | 12,152,200 | 18,369,200 |

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|-------------|---------------|---------------|
| Program by activities: | | | |
| Administration of direct and insured loan programs (total costs—obligations)----- | \$100,123 | \$115,000 | \$115,900 |
| Financing: | | | |
| Advances and reimbursements from— | | | |
| Other accounts----- | 89,290 | 105,000 | 105,900 |
| Non-Federal sources (40 U.S.C. 481(c))----- | 10,833 | 10,000 | 10,000 |
| Total financing----- | 100,123 | 115,000 | 115,900 |

Object Classification

| | | | |
|--|-----|---------|-----|
| Total number of permanent positions----- | 15 | 15 | 14 |
| Average number of all employees----- | 15 | 17 | 16 |
| Number of employees at end of year----- | 15 | 15 | 14 |
| Average GS grade and salary----- | 4.8 | \$4,774 | 4.9 |

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|-------------|---------------|---------------|
| 01 Personal services: | | | |
| Permanent positions----- | \$71,549 | \$80,490 | \$78,515 |
| Other personal services----- | 439 | 3,510 | 3,435 |
| Total personal services----- | 71,988 | 84,000 | 82,000 |
| 03 Transportation of things----- | 1,630 | 2,000 | 2,000 |
| 04 Communication services----- | 179 | 200 | 200 |
| 05 Rents and utility services----- | 11,721 | 15,000 | 16,000 |
| 07 Other contractual services----- | 762 | 800 | 1,800 |
| 09 Equipment----- | 9,203 | 7,500 | 8,500 |
| 11 Grants, subsidies, and contributions----- | 4,640 | 5,500 | 5,400 |
| Total obligations----- | 100,123 | 115,000 | 115,900 |

OFFICE OF THE GENERAL COUNSEL

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses, including payment of fees or dues for the use of law libraries by attorneys in the field service, [§3,162,025] §3,358,845. (5 U.S.C. 511-512, 518; Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.)

Appropriated 1960, \$3,162,025 Estimate 1961, \$3,358,845

Program and Financing

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|-------------|---------------|---------------|
| Program by activities: | | | |
| 1. Agricultural credit and conservation | \$1,567,441 | \$1,555,000 | \$1,565,000 |
| 2. Commodity credit and production adjustment programs----- | 826,373 | 808,000 | 813,500 |
| 3. Marketing and regulatory laws----- | 543,751 | 535,025 | 714,645 |
| 4. Agricultural research and staff legal services----- | 270,111 | 264,000 | 265,700 |
| Total program costs ¹ ----- | 3,207,676 | 3,162,025 | 3,358,845 |
| 5. Relation of costs to obligations: Costs financed from obligations of other years, net (-)----- | -15,844 | ----- | ----- |
| Total program (obligations)----- | 3,191,832 | 3,162,025 | 3,358,845 |
| Financing: | | | |
| Unobligated balance no longer available----- | 16,918 | ----- | ----- |
| New obligational authority----- | 3,208,750 | 3,162,025 | 3,358,845 |
| New obligational authority: | | | |
| Appropriation----- | \$2,968,000 | \$3,162,025 | \$3,358,845 |
| Transferred from "Conservation reserve program," Commodity Stabilization Service (73 Stat. 52)----- | 240,750 | ----- | ----- |
| Appropriation (adjusted)----- | 3,208,750 | 3,162,025 | 3,358,845 |

¹ Includes capital outlay as follows: June 30, 1959, \$23,468; 1960, \$21,000; 1961, \$24,000.

The Office serves as legal counsel for the Secretary of Agriculture and performs all legal work for the Department. It represents the Department in administrative proceedings for the promulgation of rules and regulations having the force and effect of law and in quasi-judicial hearings held in connection with the administration of Department programs. The Office also represents the Secretary in proceedings before the Interstate Commerce Commission dealing with rates and practices relating to the transportation of agricultural commodities and in appeals to the courts from the decisions of the Commission. It examines titles to lands to be acquired by the Department or accepted as security for loans, and disposes of claims arising out of the Department's activities.

Increases in 1961 are to meet increased legal workload connected with the administration of the Packers and Stockyards Act, marketing agreement and order programs, and other marketing and regulatory activities.

OFFICE OF THE GENERAL COUNSEL—Continued**Current authorizations—Continued****SALARIES AND EXPENSES—Continued**

5. Relation of costs to obligations.—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

| | 1958 actual | 1959 actual | 1960 estimate | 1961 estimate |
|---|----------------|----------------|------------------|------------------|
| Selected resources at end of year: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)..... | \$29,074 | \$7,105 | \$7,105 | \$7,105 |
| Selected resources at start of year (—)..... | -29,074 | -7,105 | -7,105 | -7,105 |
| Adjustment of prior year costs and selected resources at start of year..... | 6,125 | ----- | ----- | ----- |
| Costs financed from obligations of other years, net (—)..... | -15,844 | ----- | ----- | ----- |

Object Classification

| | 1959 actual | 1960 estimate | 1961 estimate | |
|--|-------------|---------------|---------------|---------|
| Total number of permanent positions..... | 408 | 389 | 414 | |
| Full-time equivalent of all other positions..... | 4 | 4 | 4 | |
| Average number of all employees..... | 394 | 385 | 403 | |
| Number of employees at end of year..... | 395 | 396 | 407 | |
| Average GS grade and salary..... | 8.2 | \$6,920 | 8.3 | \$7,114 |
| 01 Personal services: | | | | |
| Permanent positions..... | \$2,744,100 | \$2,700,375 | \$2,855,545 | |
| Positions other than permanent..... | 13,726 | 14,000 | 14,000 | |
| Other personal services..... | 14,111 | 24,000 | 14,500 | |
| Total personal services..... | 2,771,937 | 2,738,375 | 2,884,045 | |
| 02 Travel..... | 83,506 | 88,000 | 97,500 | |
| 03 Transportation of things..... | 5,510 | 5,500 | 5,500 | |
| 04 Communication services..... | 35,110 | 35,500 | 37,750 | |
| 05 Rents and utility services..... | 8,724 | 8,750 | 8,750 | |
| 06 Printing and reproduction..... | 19,149 | 19,000 | 21,550 | |
| 07 Other contractual services..... | 23,592 | 23,400 | 45,970 | |
| Services performed by other agencies..... | 6,168 | 6,000 | 6,100 | |
| 08 Supplies and materials..... | 25,705 | 25,000 | 26,550 | |
| 09 Equipment..... | 35,396 | 34,500 | 37,500 | |
| 11 Grants, subsidies, and contributions..... | 175,676 | 175,700 | 185,330 | |
| 13 Refunds, awards, and indemnities..... | 580 | 1,500 | 1,500 | |
| 15 Taxes and assessments..... | 779 | 800 | 800 | |
| Total obligations..... | 3,191,832 | 3,162,025 | 3,358,845 | |

ALLOTMENTS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allotments from other accounts are included in the schedule of the parent appropriations as follows:
 "Conservation reserve program," Commodity Stabilization Service.
 "Disaster loans, etc., revolving fund," Farmers Home Administration.

Intragovernmental funds:**ADVANCES AND REIMBURSEMENTS****Program and Financing**

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|-------------|---------------|---------------|
| Program by activities: | | | |
| Miscellaneous services to other accounts (total costs—obligations) (object class 09)..... | \$293 | \$500 | \$500 |
| Financing: | | | |
| Advances and reimbursements from non-Federal sources (5 U.S.C. 61(b) and 40 U.S.C. 481(c))..... | 293 | 500 | 500 |

OFFICE OF THE SECRETARY**Current authorizations:****SALARIES AND EXPENSES**

For expenses of the Office of the Secretary of Agriculture; expenses of the National Agricultural Advisory Commission; stationery, supplies, materials, and equipment; freight, express, and drayage charges; advertising of bids, communication service, postage, washing towels, repairs and alterations, and other miscellaneous supplies

and expenses not otherwise provided for and necessary for the practical and efficient work of the Department of Agriculture, [\$2,881,000] \$2,899,500: Provided, That this appropriation shall be reimbursed from applicable appropriations for travel expenses incident to the holding of hearings as required by the Administrative Procedure Act (5 U.S.C. 1001). (5 U.S.C. 511-517; secs. 511-512—establishing the Department of Agriculture, which was implemented by the Act of July 24, 1919 (5 U.S.C. 563-564), apply to all appropriation items of the Department which are not based upon specific legislative authority either incorporated in the language of the item or cited immediately thereunder; 5 U.S.C. 520a, 542-1, 543b, 1001, 2131; Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.)

Appropriated 1960, \$2,881,000

Estimate 1961, \$2,899,500

Program and Financing

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|-------------|---------------|---------------|
| Program by activities: | | | |
| 1. General administration..... | \$617,294 | \$621,215 | \$624,200 |
| 2. Personnel administration and service..... | 696,655 | 703,114 | 707,800 |
| 3. Budgetary and financial administration and service..... | 660,728 | 677,025 | 681,400 |
| 4. General operations..... | 593,946 | 606,686 | 611,600 |
| 5. Administrative management..... | 92,740 | 95,545 | 96,200 |
| 6. Regulatory hearings and decisions..... | 162,486 | 165,915 | 166,800 |
| 7. National Agricultural Advisory Commission..... | 11,369 | 11,500 | 11,500 |
| Total program costs ¹ | 2,835,218 | 2,881,000 | 2,899,500 |
| 8. Relation of costs to obligations: Costs financed from obligations of other years, net (—)..... | -4,776 | ----- | ----- |
| Total program (obligations)..... | 2,830,442 | 2,881,000 | 2,899,500 |
| Financing: | | | |
| Comparative transfers from (—) other accounts..... | -4,600 | ----- | ----- |
| Unobligated balance no longer available..... | 29,808 | ----- | ----- |
| New obligational authority..... | 2,855,650 | 2,881,000 | 2,899,500 |
| New obligational authority: | | | |
| Appropriation..... | \$2,668,895 | \$2,881,000 | \$2,899,500 |
| Transferred from "Conservation reserve program," Commodity Stabilization Service (73 Stat. 52)..... | 186,755 | ----- | ----- |
| Appropriation (adjusted)..... | 2,855,650 | 2,881,000 | 2,899,500 |

¹ Includes capital outlay as follows: June 30, 1959, \$14,408; 1960, \$7,300; 1961, \$7,300.

The Office provides overall planning, coordination, and administration of the Department's programs, and supplies certain services on a departmentwide basis.

2. *Personnel administration and service.*—Departmental policies and procedures are promulgated for the personnel management program. The operational phases of this program have been substantially delegated to the agencies. A systematic review is conducted to insure unification thereof and to measure its effectiveness in serving the agencies' personnel management requirements.

3. *Budgetary and financial administration and service.*—This covers the fields of departmental budgetary and financial management, internal audit and related activities; policies and procedures are promulgated, and programs and legislative proposals are evaluated for budgetary, financial, and related implications.

4. *General operations.*—These embrace departmental policies and procedures for real and personal property, and supply management. Administrative services are provided for the Office of the Secretary, and departmental service operations are furnished, including the Department's post office, telephone switchboard, telegraph office, and reproduction and supply services.

5. *Administrative management.*—This covers the areas of organization, paperwork activities (forms, reports, correspondence, and records maintenance and disposition), administrative issuances, and management improvement. Departmental policies and procedures are promulgated, improvement studies are undertaken, and agency ad-

ministrative management programs are evaluated to insure economical and effective administration.

6. Regulatory hearings and decisions.—The hearing examiners hold hearings in connection with the prescribing of new regulations and orders and on disciplinary complaints filed by the Department or on petitions filed by private parties asking relief from some action of the Department. Final administrative decisions in regulatory proceedings are rendered by the judicial officer. Agriculture Decisions is published monthly.

7. National Agricultural Advisory Commission.—Provision is made for the payment of necessary expenses incident to periodic meetings of the National Agricultural Advisory Commission.

8. Relation of costs to obligations.—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

| | 1958 actual | 1959 actual | 1960 estimate | 1961 estimate |
|---|----------------|----------------|------------------|------------------|
| Selected resources at end of year: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)..... | \$10,051 | \$5,504 | \$5,504 | \$5,504 |
| Selected resources at start of year (—)..... | -10,051 | -5,504 | -5,504 | -5,504 |
| Adjustment of prior year costs and selected resources reported at start of year..... | -229 | ----- | ----- | ----- |
| Costs financed from obligations of other years, net (—)..... | -4,776 | ----- | ----- | ----- |

Object Classification

| | 1959 actual | 1960 estimate | 1961 estimate | |
|--|-------------|---------------|---------------|---------|
| Total number of permanent positions..... | 328 | 332 | 332 | |
| Full-time equivalent of all other positions..... | 2 | 1 | 1 | |
| Average number of all employees..... | 318 | 322 | 322 | |
| Number of employees at end of year..... | 317 | 323 | 323 | |
| Average GS grade and salary..... | 8.6 | \$7,284 | 8.7 | \$7,306 |
| 01 Personal services: | | | | |
| Permanent positions..... | \$2,367,095 | \$2,400,006 | \$2,410,737 | |
| Positions other than permanent..... | 11,845 | 9,813 | 8,526 | |
| Other personal services..... | 21,027 | 30,181 | 20,737 | |
| Total personal services..... | 2,399,967 | 2,440,000 | 2,440,000 | |
| 02 Travel..... | 102,024 | 117,632 | 117,632 | |
| 03 Transportation of things..... | 796 | 600 | 600 | |
| 04 Communication services..... | 38,434 | 38,700 | 38,700 | |
| 05 Rents and utility services..... | 871 | 800 | 800 | |
| 06 Printing and reproduction..... | 71,316 | 69,800 | 69,800 | |
| 07 Other contractual services..... | 14,060 | 14,000 | 32,500 | |
| Services performed by other agencies..... | 22,079 | 20,900 | 20,900 | |
| 08 Supplies and materials..... | 21,280 | 20,500 | 20,500 | |
| 09 Equipment..... | 8,994 | 7,300 | 7,300 | |
| 11 Grants, subsidies, and contributions..... | 148,322 | 149,000 | 149,000 | |
| 13 Refunds, awards, and indemnities..... | 985 | 600 | 600 | |
| 15 Taxes and assessments..... | 1,314 | 1,168 | 1,168 | |
| Total obligations..... | 2,830,442 | 2,881,000 | 2,899,500 | |

Intragovernmental funds:

WORKING CAPITAL FUND, DEPARTMENT OF AGRICULTURE

This fund finances on a reimbursable basis certain central services in the Department of Agriculture, including duplicating, photographic, art and graphics, motion picture, tabulating, supply, and library photocopying services. The capital consists of \$400,000 appropriated (5 U.S.C. 542-1) and \$522,958 donated assets, as of June 30, 1959. Earnings are retained to furnish adequate working capital.

Sources and Application of Funds (Operations)

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|-------------|---------------|---------------|
| Gross expenditures (funds applied): | | | |
| Supply and other central services program: | | | |
| Acquisition of equipment..... | \$22,708 | \$4,000 | \$4,000 |
| Expense: | | | |
| Purchase of materials..... | 482,653 | 482,880 | 483,500 |
| Other expense..... | 359,502 | 361,200 | 361,400 |

Sources and Application of Funds (Operations)—Continued

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|-------------|---------------|---------------|
| Gross expenditures (funds applied)—Con. | | | |
| Reproduction services program: | | | |
| Acquisition of equipment..... | \$4,070 | \$12,000 | \$12,000 |
| Expense: | | | |
| Purchase of materials..... | 355,016 | 355,000 | 355,000 |
| Other expense..... | 674,991 | 680,000 | 680,000 |
| Motion picture, photographic, and other visual information services program: | | | |
| Acquisition of equipment..... | 36,407 | 40,000 | 20,000 |
| Expense: | | | |
| Purchase of materials..... | 166,665 | 190,000 | 190,000 |
| Other expense..... | 934,130 | 954,600 | 953,600 |
| Increase in selected working capital..... | 25,190 | 4,400 | 4,400 |
| Total gross expenditures..... | 3,061,332 | 3,079,680 | 3,063,900 |
| Receipts from operations (funds provided): | | | |
| Supply and other central services program: | | | |
| Revenue..... | 837,380 | \$832,000 | \$832,000 |
| Proceeds from sale of equipment..... | 825 | ----- | ----- |
| Reproduction services program: | | | |
| Revenue..... | 1,066,498 | 1,050,000 | 1,050,000 |
| Proceeds from sale of equipment..... | 490 | ----- | ----- |
| Motion picture, photographic and other visual information services program: Revenue..... | 1,123,752 | 1,173,000 | 1,173,000 |
| Decrease in selected working capital..... | 31,600 | ----- | ----- |
| Total receipts from operations..... | 3,028,945 | 3,086,600 | 3,055,000 |
| Budget expenditures..... | 32,387 | -6,920 | 8,900 |

Revenue, Expense, and Retained Earnings

| | | | |
|--|-----------|-----------|-----------|
| Supply and other central services program: | | | |
| Revenue..... | \$837,380 | \$832,000 | \$832,000 |
| Expense..... | 841,869 | 830,800 | 831,000 |
| Net operating income or loss (—), supply and other central services program..... | -4,489 | 1,200 | 1,000 |
| Reproduction services program: | | | |
| Revenue..... | 1,066,498 | 1,050,000 | 1,050,000 |
| Expense..... | 1,026,524 | 1,050,000 | 1,050,000 |
| Net operating income, reproduction services program..... | 39,974 | ----- | ----- |
| Motion picture, photographic, and other visual information services program: | | | |
| Revenue..... | 1,123,752 | 1,173,000 | 1,173,000 |
| Expense..... | 1,129,582 | 1,171,600 | 1,172,600 |
| Net operating income or loss (—), motion picture, photographic, and other visual information services program..... | -5,830 | 1,400 | 400 |
| Nonoperating income: | | | |
| Proceeds from sale of equipment..... | 1,315 | ----- | ----- |
| Net book value of assets sold (—)..... | -509 | ----- | ----- |
| Net nonoperating income..... | 806 | ----- | ----- |
| Net income for the year..... | 30,461 | 2,600 | 1,400 |
| Retained earnings, beginning of year..... | 38,942 | 69,408 | 72,003 |
| Retained earnings, end of year..... | 69,403 | 72,003 | 73,403 |

Financial Condition

| | | | |
|---|-----------|-----------|-----------|
| Assets: | | | |
| Cash with Treasury..... | \$278,658 | \$285,578 | \$276,678 |
| Accounts receivable, net..... | 466,607 | 447,087 | 437,087 |
| Advances..... | 5,972 | 5,500 | 5,500 |
| Inventories, deferred charges, etc..... | 266,910 | 283,690 | 301,090 |
| Equipment, net..... | 390,365 | 400,265 | 388,165 |
| Total assets..... | 1,408,512 | 1,422,120 | 1,408,520 |
| Liabilities: | | | |
| Current..... | 416,151 | 427,159 | 412,159 |
| Government investment: | | | |
| Non-interest-bearing capital: | | | |
| Start of year..... | 919,848 | 922,958 | 922,958 |
| Donated assets, net, during year..... | 3,110 | ----- | ----- |
| End of year..... | 922,958 | 922,958 | 922,958 |
| Retained earnings..... | 69,403 | 72,003 | 73,403 |
| Total Government investment..... | 992,361 | 994,961 | 996,361 |

NOTE.—Unpaid undelivered orders are as follows: June 30, 1958, \$111,376; 1959, \$105,005; 1960 \$88,969; and 1961, \$71,969.

OFFICE OF THE SECRETARY—Continued

Intragovernmental funds—Continued

WORKING CAPITAL FUND, DEPARTMENT OF AGRICULTURE—Con.

Object Classification

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|-------------|---------------|---------------|
| OFFICE OF THE SECRETARY | | | |
| Total number of permanent positions..... | 164 | 160 | 160 |
| Average number of all employees..... | 156 | 158 | 158 |
| Number of employees at end of year..... | 151 | 158 | 158 |
| Average GS grade and salary..... | 4.2 | \$4,623 | 4.3 |
| Average salary of ungraded positions..... | | \$4,454 | \$4,437 |
| 01 Personal services: | | | |
| Permanent positions..... | \$716,479 | \$711,453 | \$714,178 |
| Positions other than permanent..... | 980 | | |
| Other personal services..... | 29,102 | 28,547 | 25,822 |
| Excess of annual leave earned over leave taken..... | 2,375 | | |
| Total personal services..... | 748,936 | 740,000 | 740,000 |
| 02 Travel..... | 299 | 200 | 200 |
| 03 Transportation of things..... | 164 | 200 | 200 |
| 04 Communication services..... | 119,121 | 119,000 | 119,000 |
| 05 Rents and utility services..... | 3,591 | 3,500 | 3,500 |
| 06 Printing and reproduction..... | 49,459 | 49,000 | 49,000 |
| 07 Other contractual services..... | 15,061 | 15,000 | 23,820 |
| 08 Supplies and materials..... | \$25,638 | 825,000 | 816,180 |
| 09 Equipment..... | 23,907 | 12,000 | 12,000 |
| 11 Grants, subsidies, and contributions..... | 46,099 | 46,000 | 46,000 |
| 13 Refunds, awards, and indemnities..... | 10 | | |
| 15 Taxes and assessments..... | 115 | 100 | 100 |
| Total, Office of the Secretary..... | 1,832,400 | 1,810,000 | 1,810,000 |
| ALLOTMENT ACCOUNTS | | | |
| Total number of permanent positions..... | 108 | 107 | 107 |
| Full-time equivalent of all other positions..... | 1 | 1 | 1 |
| Average number of all employees..... | 110 | 109 | 109 |
| Number of employees at end of year..... | 110 | 111 | 111 |
| Average GS grade and salary..... | 7.7 | \$6,084 | 7.7 |
| 01 Personal services: | | | |
| Permanent positions..... | \$675,403 | \$693,851 | \$698,893 |
| Positions other than permanent..... | 3,935 | 3,000 | 3,000 |
| Other personal services..... | 21,751 | 16,949 | 12,107 |
| Excess of annual leave earned over leave taken..... | 11,069 | | |
| Total personal services..... | 712,158 | 713,800 | 714,000 |
| 02 Travel..... | 23,504 | 24,000 | 24,000 |
| 03 Transportation of things..... | 5,176 | 5,500 | 5,500 |
| 04 Communication services..... | 4,568 | 5,800 | 5,800 |
| 06 Printing and reproduction..... | 16,360 | 17,200 | 17,200 |
| 07 Other contractual services..... | 166,021 | 199,600 | 206,500 |
| Services performed by other agencies..... | 9,677 | 12,100 | 12,100 |
| 08 Supplies and materials..... | 176,649 | 183,572 | 175,800 |
| 09 Equipment..... | 41,745 | 44,000 | 24,000 |
| 11 Grants, subsidies, and contributions..... | 41,867 | 46,000 | 46,000 |
| 15 Taxes and assessments..... | 685 | 1,000 | 1,000 |
| Total, allotment accounts..... | 1,198,410 | 1,252,572 | 1,231,900 |
| Total obligations..... | 3,030,810 | 3,062,572 | 3,041,900 |
| Obligations are distributed as follows: | | | |
| Office of the Secretary..... | \$1,832,400 | \$1,810,000 | \$1,810,000 |
| Office of Information..... | 1,156,008 | 1,211,492 | 1,190,000 |
| Library..... | 42,402 | 41,080 | 41,900 |

ADVANCES AND REIMBURSEMENTS

Program and Financing

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|-------------|---------------|---------------|
| Program by activities: | | | |
| Miscellaneous services to other accounts: | | | |
| Department of Agriculture..... | \$29,564 | \$29,935 | \$29,935 |
| Other agencies..... | 10,100 | 3,720 | 3,720 |
| Total program (costs—obligations)..... | 39,664 | 33,655 | 33,655 |
| Financing: | | | |
| Advances and reimbursements from— | | | |
| Other accounts..... | 39,465 | 33,655 | 33,655 |
| Non-Federal sources (40 U.S.C. 481 (c))..... | 199 | | |
| Total financing..... | 39,664 | 33,655 | 33,655 |

| | 1959 actual | 1960 estimate | 1961 estimate | |
|--|-------------|---------------|---------------|---------|
| Total number of permanent positions..... | 2 | 2 | 2 | |
| Average number of all employees..... | 2 | 2 | 2 | |
| Number of employees at end of year..... | 0 | 0 | 0 | |
| Average GS grade and salary..... | 10.9 | \$8,590 | 11.2 | \$9,472 |
| 01 Personal services: Permanent positions..... | \$22,168 | \$14,660 | \$14,660 | |
| Travel..... | 14,936 | 18,000 | 17,890 | |
| Communication services..... | 69 | | | |
| Rents and utility services..... | 82 | | | |
| Printing and reproduction..... | 1,254 | | | |
| Other contractual services..... | 65 | 8 | 118 | |
| Equipment..... | 82 | | | |
| 11 Grants, subsidies, and contributions..... | 1,008 | 957 | 957 | |
| Total obligations..... | 39,664 | 33,655 | 33,655 | |

OFFICE OF INFORMATION

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses of the Office of Information for the dissemination of agricultural information and the coordination of informational work and programs authorized by Congress in the Department, [§1,431,665] \$1,478,685, of which total appropriation not to exceed \$537,000 may be used for farmers' bulletins, which shall be adapted to the interests of the people of the different sections of the country, an equal proportion of four-fifths of which shall be delivered to or sent out under the addressed franks furnished by the Senators, Representatives, and Delegates in Congress, as they shall direct (7 U.S.C. 417) and not less than two hundred and thirty-three thousand and fifty copies for the use of the Senate and House of Representatives of part 2 of the annual report of the Secretary (known as the Yearbook of Agriculture) as authorized by section 73 of the Act of January 12, 1895 (44 U.S.C. 241): *Provided*, That in the preparation of motion pictures or exhibits by the Department, not exceeding a total of \$10,000 may be used for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a). (5 U.S.C. 511-512; Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.)

Appropriated 1960, \$1,431,665

Estimate 1961, \$1,478,685

Program and Financing

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|-------------|---------------|---------------|
| Program by activities: | | | |
| 1. Publications review and distribution..... | \$652,281 | \$685,192 | \$696,872 |
| 2. Review and distribution of current agricultural information..... | 517,363 | 517,490 | 528,750 |
| 3. Review, preparation, and distribution of visual agricultural information..... | 223,954 | 228,953 | 253,063 |
| Total program costs ¹ | 1,393,598 | 1,431,665 | 1,478,685 |
| 4. Relation of costs to obligations: Obligations incurred for costs of other years, net..... | 34,387 | | |
| Total program (obligations)..... | 1,427,955 | 1,431,665 | 1,478,685 |
| Financing: | | | |
| Comparative transfers to other accounts..... | 4,600 | | |
| Unobligated balance no longer available..... | 680 | | |
| New obligational authority..... | 1,433,265 | 1,431,665 | 1,478,685 |

New obligational authority:

| | | | |
|---|-------------|-------------|-------------|
| Appropriation..... | \$1,359,265 | \$1,431,665 | \$1,478,685 |
| Transferred from "Conservation reserve program," Commodity Stabilization Service (73 Stat. 36)..... | 74,000 | | |
| Appropriation (adjusted)..... | 1,433,265 | 1,431,665 | 1,478,685 |

¹ Includes capital outlay as follows: June 30, 1959, \$7,132; 1960, \$6,500; 1961, \$6,500.

The Office has responsibility for the information work of the entire Department. Its major objective is to report to farmers, specially affected groups, and to the public the Department's research, action, regulatory, and

other programs, using any or all information media. This work is carried on in close cooperation with the land-grant colleges and with private industries which serve agriculture. Workload depends upon Department program demands, direct requests, and legislative requirements.

1. Publications review and distribution.—The Department publications, both printed and processed, are reviewed for policy clearance and control. Publications include farmers' bulletins, leaflets, periodicals, scientific, research, and marketing publications, and agricultural statistics.

2. Review and distribution of current agricultural information.—The Department's activities require the issuance of about 3,600 periodic crop, price, and market reports and press releases annually. Special information is furnished to national magazines, encyclopedic annuals, and trade publications. Digests, newsletters, and other services are made available to press associations, daily newspapers, and farm publications. Part 2 of the Secretary's annual report, known as the Yearbook of Agriculture, is published by the Office and distributed by Members of Congress. Radio is used to reach farmers locally and to broadcast regular weekly programs on major networks. Television package programs are prepared for use of land-grant colleges and television farm broadcasters. Essential information on Department policies and programs is provided to Washington and field employees by the biweekly issuance of USDA, an employee news bulletin.

3. Review, preparation, and distribution of visual agricultural information.—Motion pictures for the Department and private industries which serve agriculture are produced on a reimbursable basis and distributed through nearly 75 cooperating State film libraries. Still photographs, illustrations, and graphics are similarly produced. News and general-type photographs of Department programs and activities are available from a centralized library. Exhibits are produced and supplied to State extension workers for their use in State exhibit showings.

4. Relation of costs to obligations.—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

| | 1958 actual | 1959 actual | 1960 estimate | 1961 estimate |
|---|----------------|----------------|------------------|------------------|
| Selected resources at end of year: Inventories and items on order: | | | | |
| Publications consigned to Government Printing Office | \$157,000 | \$177,700 | \$180,000 | \$180,000 |
| Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received) | 275,652 | 279,099 | 276,799 | 276,799 |
| Total selected resources at end of year | 432,652 | 456,799 | 456,799 | 456,799 |
| Selected resources at start of year (-) | 432,652 | 456,799 | 456,799 | 456,799 |
| Adjustment of prior year costs and selected resources reported at start of year | 10,240 | | | |
| Obligations incurred for costs of other years, net | 34,387 | | | |

Object Classification

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|-------------|---------------|---------------|
| Total number of permanent positions | 133 | 133 | 138 |
| Full-time equivalent of all other positions | 1 | 1 | 1 |
| Average number of all employees | 119 | 119 | 122 |
| Number of employees at end of year | 124 | 123 | 128 |
| Average GS grade and salary | 7.3 | \$6,092 | 7.3 \$6,119 |
| 01 Personal services: | | | |
| Permanent positions | \$702,971 | \$705,602 | \$739,065 |
| Positions other than permanent | 9,198 | 6,025 | 3,200 |
| Other personal services | 4,643 | 6,238 | 3,500 |
| Total personal services | 716,812 | 717,865 | 745,765 |
| 02 Travel | 9,427 | 9,500 | 9,500 |
| 03 Transportation of things | 3,863 | 4,000 | 4,000 |
| 04 Communication services | 89,148 | 89,000 | 92,500 |
| 06 Printing and reproduction | 517,155 | 520,000 | 523,500 |

Object Classification—Continued

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|-------------|---------------|---------------|
| 07 Other contractual services | \$8,460 | \$8,500 | \$15,520 |
| Services performed by other agencies | 17,579 | 18,000 | 18,000 |
| 08 Supplies and materials | 11,435 | 11,000 | 14,500 |
| 09 Equipment | 7,622 | 7,000 | 7,000 |
| 11 Grants, subsidies, and contributions | 46,227 | 46,500 | 48,100 |
| 15 Taxes and assessments | 257 | 300 | 300 |
| Total obligations | 1,427,985 | 1,431,665 | 1,478,685 |

ALLOTMENTS AND ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allotments and allocations from other accounts are included in the schedules of the parent appropriations as follows:

"Acreage reserve," Commodity Stabilization Service.

"Conservation reserve program," Commodity Stabilization Service.

"Great Plains conservation program," Soil Conservation Service.

"Working capital fund, Department of Agriculture."

"Mutual security—economic," funds appropriated to the President.

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|-------------|---------------|---------------|
| Program by activities: | | | |
| 1. Review, preparation, and distribution of visual agricultural information | \$91,800 | \$91,000 | \$91,000 |
| 2. Miscellaneous services to other accounts | 2,033 | | |
| Total program (costs—obligations) | 93,833 | 91,000 | 91,000 |
| Financing: | | | |
| Advances and reimbursements from— | | | |
| Other accounts | 87,986 | 85,000 | 85,000 |
| Non-Federal sources (40 U.S.C. 481(c); 7 U.S.C. 1387) | 5,847 | 6,000 | 6,000 |
| Total financing | 93,833 | 91,000 | 91,000 |

Object Classification

| | | | |
|---|----------|----------|-------------|
| Total number of permanent positions | 7 | 7 | 7 |
| Average number of all employees | 6 | 6 | 6 |
| Number of employees at end of year | 7 | 7 | 7 |
| Average GS grade and salary | 7.3 | \$6,092 | 7.3 \$6,119 |
| 01 Personal services: | | | |
| Permanent positions | \$35,174 | \$34,700 | \$35,000 |
| Other personal services | 3,949 | 4,300 | 4,000 |
| Total personal services | 39,123 | 39,000 | 39,000 |
| 02 Travel | 478 | 500 | 500 |
| 03 Transportation of things | 738 | 700 | 700 |
| 04 Printing and reproduction | 8,877 | 8,500 | 8,500 |
| 07 Other contractual services | 29,709 | 26,800 | 26,800 |
| Services performed by other agencies | 6,839 | 7,000 | 7,000 |
| 08 Supplies and materials | 5,429 | 6,000 | 6,000 |
| 11 Grants, subsidies, and contributions | 2,590 | 2,500 | 2,500 |
| Total obligations | 93,833 | 91,000 | 91,000 |

LIBRARY

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses, including dues for library membership in societies or associations which issue publications to members only or at a price to members lower than to subscribers who are not members, [§900,000] \$895,660. (5 U.S.C. 83, 511-512, 514, 516, 552a; Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.)

Appropriated 1960, \$900,000

Estimate 1961, a \$895,660

*Excludes \$68,100 for activities transferred in the estimates to "Forest protection and utilization," Forest Service, and "Salaries and expenses," Agricultural Research Service. The amounts obligated in 1959 and 1960 are shown in the schedule as comparative transfers.

LIBRARY—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

Program and Financing

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|-------------|---------------|---------------|
| Program by activities: | | | |
| 1. Agricultural library services (total program costs ¹) | \$772,807 | \$831,900 | \$895,660 |
| 2. Relation of costs to obligations: Costs financed from obligations of other years, net (—) | —12,255 | | |
| Total program (obligations) | 760,552 | 831,900 | 895,660 |
| Financing: | | | |
| Comparative transfers to other accounts | 66,978 | 68,100 | |
| 1959 appropriation available in 1958 | 2,213 | | |
| Unobligated balance no longer available | 1,757 | | |
| New obligational authority | 831,500 | 900,000 | 895,660 |
| New obligational authority: | | | |
| Appropriation | \$772,000 | \$900,000 | \$895,660 |
| Transferred from "Conservation reserve program," Commodity Stabilization Service (73 Stat. 52) | 59,500 | | |
| Appropriation (adjusted) | 831,500 | 900,000 | 895,660 |

¹ Includes capital outlay as follows: June 30, 1959, \$7,198; 1960, \$2,000; 1961, \$2,000.

1. *Agricultural library services.*—The library, a basic unit serving the research, extension, regulatory, and other programs of the Department and the State agricultural agencies, acquires records, and makes available through its catalogs, indexes and bibliographies, books, periodicals, and other publications containing information on agricultural and allied fields. It contains approximately 1,165,000 volumes, probably one of the most extensive agricultural collections existing in any country. Its services are used by agricultural colleges and universities, other research and educational institutions throughout the world, Government departments, agricultural associations, industry, individual farmers, and the general public. It serves as the national agricultural library, one of the three national libraries.

The responsibility for administering field branch library services needed by and available to the Agricultural Research Service and the Forest Service was transferred to these Services in 1960 in order to strengthen field library services and more effectively support research undertakings which have been augmented substantially in recent years.

During 1959, a total of 17,563 volumes and 214,641 separate issues of periodicals were added to the collection by purchase, gift, and exchange. During the same period 425,925 loans of books and periodicals were made and 85,408 reference questions were answered by the Department library.

2. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

| | 1958 actual | 1959 actual | 1960 estimate | 1961 estimate |
|---|----------------|----------------|------------------|------------------|
| Selected resources at end of year: | | | | |
| Equipment not placed in use | \$211 | | | |
| Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received) | 32,547 | \$17,498 | \$17,498 | \$17,498 |
| Total selected resources at end of year | 32,758 | 17,498 | 17,498 | 17,498 |
| Selected resources at start of year (—) | —32,758 | —17,498 | —17,498 | —17,498 |
| Adjustment of prior year costs and selected resources reported at start of year | 3,005 | | | |
| Costs financed from obligations of other years, net (—) | —12,255 | | | |

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|-------------|---------------|---------------|
| Total number of permanent positions | 136 | 137 | 142 |
| Full-time equivalent of all other positions | 1 | 1 | 1 |
| Average number of all employees | 116 | 127 | 134 |
| Number of employees at end of year | 118 | 128 | 136 |
| Average GS grade and salary | 5.3 | \$4,961 | 6.1 |
| 1959 actual | \$4,961 | 6.1 | \$5,234 |
| 1960 estimate | | | 6.3 |
| 1961 estimate | | | \$5,320 |
| 01 Personal services: | | | |
| Permanent positions | \$591,366 | \$669,156 | \$723,600 |
| Positions other than permanent | 1,794 | 744 | 800 |
| Other personal services | 4,112 | 5,100 | 3,800 |
| Total personal services | 597,272 | 675,000 | 727,300 |
| 02 Travel | 3,045 | 2,600 | 2,600 |
| 03 Transportation of things | 141 | 500 | 500 |
| 04 Communication services | 11,199 | 10,000 | 10,000 |
| 06 Printing and reproduction | 2,621 | 3,800 | 3,800 |
| Binding | 21,560 | 27,400 | 27,000 |
| 07 Other contractual services | 21,713 | 6,100 | 10,660 |
| Services performed by other agencies | 9,126 | 12,800 | 12,500 |
| 08 Supplies and materials | 7,717 | 7,700 | 7,700 |
| 09 Equipment | 49,350 | 40,600 | 44,500 |
| 11 Grants, subsidies, and contributions | 38,159 | 43,800 | 47,500 |
| 13 Refunds, awards, and indemnities | 711 | 1,500 | 1,500 |
| 15 Taxes and assessments | 151 | 100 | 100 |
| 1959 program obligated in 1958 | —2,213 | | |
| Total obligations | 760,552 | 831,900 | 895,660 |

ALLOCATIONS AND ALLOTMENTS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allocations and allotments from other accounts are included in the schedules of the parent appropriations, as follows:
 "Mutual security—economic" funds appropriated to the President.
 "Working capital fund, Department of Agriculture."

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|-------------|---------------|---------------|
| Program by activities: | | | |
| 1. Agricultural library services (includes Departments of Agriculture, Health, Education, and Welfare, and Farm Credit Administration) (total program costs) | \$81,426 | \$80,849 | \$15,665 |
| 2. Relation of costs to obligations: | | | |
| Costs financed from obligations of other years, net (—) | | —849 | —2,200 |
| Obligations incurred for costs of other years, net | 4,369 | | |
| Total program (obligations) | 85,795 | 80,000 | 13,465 |
| Financing: | | | |
| Advances and reimbursements from— | | | |
| Other accounts | 84,496 | 78,550 | 13,465 |
| Non-Federal sources (5 U.S.C. 511, 563-564) | 1,299 | 1,450 | |
| Total financing | 85,795 | 80,000 | 13,465 |

2. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

| | 1958 actual | 1959 actual | 1960 estimate | 1961 estimate |
|--|----------------|----------------|------------------|------------------|
| Selected resources at end of year: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received) | \$1,538 | \$3,349 | \$2,500 | \$300 |
| Selected resources at start of year (—) | —1,538 | —3,349 | —2,500 | |
| Adjustment of prior year costs and selected resources reported at start of year | 2,558 | | | |
| Costs financed from obligations of other years, net (—) | | —849 | —2,200 | |
| Obligations incurred for costs of other years, net | 4,369 | | | |

Object Classification

| | 1959 actual | 1960 estimate | 1961 estimate |
|-------------------------------------|-------------|---------------|---------------|
| Total number of permanent positions | 16 | 15 | 3 |
| Average number of all employees | 15 | 14 | 3 |
| Number of employees at end of year | 14 | 13 | 3 |
| Average GS grade and salary | 5.3 | \$4,784 | 5.2 |
| 1959 actual | \$4,784 | 5.2 | \$4,803 |
| 1960 estimate | | | 3.7 |
| 1961 estimate | | | \$4,146 |

Object Classification—Continued

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|-------------|---------------|---------------|
| 01 Personal services: | | | |
| Permanent positions..... | \$70,989 | \$65,187 | \$12,411 |
| Other personal services..... | 386 | 494 | 48 |
| Total personal services..... | 71,375 | 65,681 | 12,459 |
| 02 Travel..... | 303 | | |
| 06 Printing and reproduction..... | 105 | 150 | |
| 07 Other contractual services..... | 194 | 250 | 211 |
| Services performed by other agencies..... | 1,206 | 1,400 | |
| 08 Supplies and materials..... | 393 | 400 | |
| 09 Equipment..... | 7,795 | 7,882 | |
| 11 Grants, subsidies, and contributions..... | 4,330 | 4,237 | 795 |
| 15 Taxes and assessments..... | 94 | | |
| Total obligations..... | 85,795 | 80,000 | 13,465 |

FOREST SERVICE

The Service carries on three primary functions: (a) Protection, development, and use of about 185 million acres of land in national forests and land utilization projects in the United States and Puerto Rico; (b) cooperation with States and private forest landowners to obtain better fire protection on approximately 435 million acres of forest lands and better forest practices on about 345 million acres of privately owned commercial timberlands, to encourage reforestation and stimulate development and management of State, county, and community forests; and (c) research for all public and private forest lands and related ranges to improve protection from fire, insects, and diseases; to increase production of timber, forage, water, and other products; to develop better utilization and marketing of forest products; and to maintain a current inventory of forest resources through a nationwide forest survey. These primary functions include construction and maintenance of roads and trails, control of forest pests, protection against floods, land acquisition and exchange, and a number of cooperative projects.

Current authorizations:

FOREST PROTECTION AND UTILIZATION

For expenses necessary for forest protection and utilization, as follows:

Forest land management: For necessary expenses of the Forest Service, not otherwise provided for, including the administration, improvement, development, and management of lands under Forest Service administration, fighting and preventing forest fires on or threatening such lands and for liquidation of obligations incurred in the preceding fiscal year for such purposes, control of white pine blister rust and other forest diseases and insects on Federal and non-Federal lands; **[\$77,815,800]** \$88,159,700, of which \$5,000,000 for fighting and preventing forest fires and \$1,910,000 for insect and disease control shall be apportioned for use, pursuant to section 3679 of the Revised Statutes, as amended, to the extent necessary under the then existing conditions: *Provided*, That not more than \$100,000 may be used for acquisition of land under the Act of March 1, 1911, as amended (16 U.S.C. 513–519): *Provided further*, That funds appropriated for "Cooperative range improvements", pursuant to section 12 of the Act of April 24, 1950 (16 U.S.C. 580h), may be advanced to this appropriation.

Forest research: For forest research at forest and range experiment stations, the Forest Products Laboratory, or elsewhere, as authorized by law; **[\$14,026,400]** \$16,332,000.

State and private forestry cooperation: For cooperation with States in forest-fire prevention and suppression, in forest tree planting on non-Federal public and private lands, and in forest management and processing, and for advising timberland owners, associations, wood-using industries, and others in the application of forest management principles and processing of forest products, as authorized by law; **[\$12,327,800]** \$12,334,800.

During the current fiscal year not to exceed \$100,000 of the funds appropriated under this heading shall be available for the acquisition of sites authorized by the Act of March 3, 1925, as amended (16 U.S.C. 555), without regard to any other limitation on the amount available for this purpose. (5 U.S.C. 511–512, 524, 565a; 7 U.S.C. 428a, 1010–1012, 1621–1627; 16 U.S.C. 471–583i, 594–1–594–5, 594a; 30 U.S.C. 601–604, 611–615; 31 U.S.C. 534; 43 U.S.C. 1181h–1181j; 36 Stat. 557; Department of the Interior and Related Agencies Appropriation Act, 1960.)

Appropriated 1960, ^a \$108,670,000 Estimate 1961, ^b \$116,826,500

^a Includes \$4,500,000 appropriated in Supplemental Appropriation Act, 1960.

^b Includes \$19,000 for activities transferred in the estimates from "Salaries and expenses", Library. The amounts obligated in 1959 and 1960 are shown in the schedule as comparative transfers.

Program and Financing

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|---------------|---------------|---------------|
| Program by activities: | | | |
| 1. Forest land management: | | | |
| (a) National forest protection and management..... | \$67,402,143 | \$70,534,000 | \$76,859,900 |
| (b) Fighting forest fires..... | 13,960,518 | 5,000,000 | 5,000,000 |
| (c) Insect and disease control..... | 6,266,324 | 6,881,800 | 6,899,800 |
| (d) Acquisition of lands..... | 70,605 | 100,000 | 100,000 |
| Total, forest land management..... | 87,699,590 | 82,515,800 | 88,859,700 |
| 2. Forest research: | | | |
| (a) Forest and range management..... | 6,643,024 | 7,104,000 | 7,354,600 |
| (b) Forest protection..... | 2,434,164 | 2,650,000 | 2,834,000 |
| (c) Forest products utilization..... | 2,617,876 | 2,854,400 | 3,103,400 |
| (d) Forest resources..... | 1,883,820 | 1,937,000 | 2,040,000 |
| (e) Forest research construction..... | 595,629 | 2,000,000 | 250,000 |
| Total, forest research..... | 14,174,513 | 16,545,400 | 15,582,000 |
| 3. State and private forestry cooperation: | | | |
| (a) Forest fire control..... | 9,312,292 | 10,085,000 | 10,087,500 |
| (b) Forest tree planting..... | 562,170 | 290,000 | 291,000 |
| (c) Forest management and processing..... | 1,377,478 | 1,542,000 | 1,543,000 |
| (d) General forestry assistance..... | 886,627 | 410,800 | 413,300 |
| Total, State and private forestry cooperation..... | 12,138,567 | 12,327,800 | 12,334,800 |
| Total program costs ¹ : | 114,012,670 | 111,389,000 | 116,776,500 |
| 4. Relation of costs to obligations: | | | |
| Costs financed from obligations of other years, net (—) | | -2,000,000 | |
| Obligations incurred for costs of other years, net..... | 2,990,824 | | 750,000 |
| Total program (obligations)..... | 117,003,494 | 109,389,000 | 117,526,500 |
| Financing: | | | |
| Comparative transfers from (—) other accounts..... | -18,753 | -19,000 | |
| 1959 appropriation available in 1958..... | 625,348 | | |
| Advances and reimbursements from other accounts..... | -700,000 | -700,000 | -700,000 |
| Unobligated balance no longer available..... | 255,511 | | |
| New obligational authority..... | 117,165,600 | 108,670,000 | 116,826,500 |
| New obligational authority: | | | |
| Appropriation..... | \$111,733,400 | \$108,670,000 | \$116,826,500 |
| Transferred from "Conservation reserve program," Commodity Stabilization Service (73 Stat. 36)..... | 5,432,200 | | |
| Appropriation (adjusted)..... | 117,165,600 | 108,670,000 | 116,826,500 |

¹ Includes capital outlay as follows: June 30, 1959, \$15,883,837; 1960, \$13,000,000; 1961, \$14,500,000.

1. *Forest land management*—(a) *National forest protection and management*.—The 151 national forests are protected from fire and their resources are managed in such ways as to bring about full utilization and maximum sustained production. This item also provides for management of land utilization projects, including revegetation and other development work. Funds appropriated under Cooperative range improvements are merged with this appropriation for obligational purposes.

Increases are provided in the budget to carry out portions of the recommendations in the program for the national forests.

FOREST SERVICE—Continued

Current authorizations—Continued

FOREST PROTECTION AND UTILIZATION—Continued

| Description | MAIN WORKLOAD FACTORS | | |
|--|-----------------------|---------------|---------------|
| | 1959 actual | 1960 estimate | 1961 estimate |
| Area administered and protected: | | | |
| (a) National forest land (acres) | 181,166,838 | 181,400,000 | 181,400,000 |
| (b) Land utilization projects (acres) | 4,638,540 | 4,400,000 | 4,400,000 |
| Timber managed and protected (billion board-feet) | 765 | 765 | 765 |
| Timber sales (number) | 38,925 | 41,000 | 42,000 |
| Timber harvested (billion board-feet) | 8.34 | 9.65 | 10.07 |
| Forest fires controlled (number) | 11,577 | 10,000 | 10,000 |
| Area burned (acres) | 139,326 | 300,000 | 200,000 |
| Grazing use permits (calendar year) | 30,411 | 30,400 | 30,400 |
| Estimated number of livestock on national forest ranges (including calves and lambs) | 6,000,000 | 6,000,000 | 6,000,000 |
| Special use permits, excluding recreation (number) | 36,724 | 36,900 | 37,000 |
| Recreation special use permits (number) | 21,709 | 22,300 | 23,000 |
| Estimated number of visitors to national forests (calendar year) | 75,000,000 | 80,000,000 | 86,000,000 |
| Tree planting and seeding (annual) (acres) | 37,824 | 40,000 | 40,000 |
| Rangeland reseeding and removal of competing vegetation (annual) (acres) | 149,115 | 150,000 | 150,000 |
| Receipts: | | | |
| Timber sales | \$115,807,988 | \$134,000,000 | \$137,750,000 |
| Grazing | 3,750,916 | 3,750,000 | 3,750,000 |
| Land uses | 2,588,652 | 2,800,000 | 3,000,000 |
| Land utilization projects | 1,919,236 | 2,000,000 | 2,000,000 |
| Total receipts | 124,066,792 | 142,550,000 | 146,500,000 |

(b) *Fighting forest fires.*—This provides for employment of additional manpower and other facilities for forest fire emergencies which cannot be met by the fire control organization provided under national forest protection and management. A supplemental appropriation for this purpose is anticipated for 1960 under Proposed for later transmission.

(c) *Insect and disease control.*—Activities to suppress and control destructive insects and diseases that threaten timber areas include two types of work carried on jointly by Federal, State, and private agencies: (1) Surveys on forest lands to detect and appraise infestations of forest insects and infections of tree diseases and determination of protective measures to be taken, and (2) control operations to suppress or eradicate forest insects and diseases, including white pine blister rust.

(d) *Acquisition of lands.*—Lands are acquired to protect the watersheds of navigable streams and to increase the production of timber with the approval of the National Forest Reservation Commission. The present acquisition program is only for purchase of small tracts within the 55 approved purchase areas.

2. *Forest research.*—Research is conducted at nine regional forest experiment stations, the Forest Products Laboratory, and elsewhere.

(a) *Forest and range management.*—This research provides private and public land managers and owners with a sound basis for management of timber, forage, and watershed lands. Studies are conducted to maintain a sustained yield of products at the lowest possible costs; increase forage for domestic livestock and improve habitat for wildlife without damage to soil, watershed, or other values; assure maximum regular flow of usable water, and reduce floods and sedimentation.

(b) *Forest protection.*—Research is conducted to develop sound measures for the protection of forests from damage by fire, insects, and diseases. Forest fire research provides improved methods of predicting fire danger, preparing for, and combating fire by combinations of ground and aerial

methods. Insect and disease research develops direct controls, silvicultural measures, and biological agents to combat forest pests.

(c) *Forest products utilization.*—Studies are conducted to develop new and improved forest products, reduction and utilization of waste, and use of low-quality wood and unpopular species. They include studies to reduce costs of logging and wood utilization, and to develop basic knowledge of wood and disseminate this to forest owners, manufacturers, fabricators, and consumers.

(d) *Forest resources.*—These investigations are conducted to inventory and appraise the condition of forest lands, volume and quality of standing timber, ownership of timber resources, annual growth and depletion, and the potential need for timber products. Studies of the economics of forest crop production and of marketing of forest products are also included.

| Description | MAIN WORKLOAD FACTORS | | | |
|-------------------------------------|-----------------------|-------------|---------------|---------------|
| | [Acres in millions] | 1959 actual | 1960 estimate | 1961 estimate |
| Initial surveys (annual) | | 21 | 30 | 30 |
| Initial surveys (cumulative) | | 549 | 579 | 609 |
| To be surveyed (total) ¹ | | 231 | 201 | 171 |
| Resurveys (annual) | | 32 | 30 | 30 |
| Resurveys (cumulative) | | 350 | 380 | 410 |

¹ Includes all of Alaska and Hawaii.

3. *State and private forestry cooperation.*—This program, carried on in cooperation with the States, encourages private timber management. Privately owned forest lands comprise three-fourths of the Nation's commercial forest area and produce about 85% of all timber cut. The fire control program applies to all State and private forest lands within the boundaries of organized protection units. The remainder of the program is concentrated on small forest properties in private ownership because they are in greater need of management.

(a) *Forest fire control.*—Assistance is furnished 46 States in preventing and suppressing forest fires on private and State owned lands by financial aid, training, procurement of equipment, and a nationwide fire prevention campaign. About 92% of the 435 million acres of non-Federal ownership are now partially covered. During 1958 the acreage burned on protected areas was 0.29% as against an estimated 4.99% on unprotected lands. Of the total expenditures under this program, 78% is contributed by States and counties, 4% by private owners, and 18% by the Federal Government.

(b) *Forest tree planting.*—To encourage woodland owners to reforest unproductive portions of their holdings, and farmers to plant wind barriers around their fields and farmsteads—a total of more than 48 million acres altogether—the States provide planting stock at less than cost. The Federal Government shares the cost of producing the stock with the State and private landowners.

(c) *Forest management and processing.*—In cooperation with State foresters, 376 projects in 1,761 counties are operated to aid small woodland owners in applying good management to their timber holdings. In 1958 these projects covered some 58,700 owners and almost 3.5 million acres.

(d) *General forestry assistance.*—Technical forest management assistance is provided to State, community, private, and other Federal agencies, forest industries, colleges, and landowners.

4. Relation of cost to obligations.—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

| | 1958 actual | 1959 actual | 1960 estimate | 1961 estimate |
|---|----------------|----------------|------------------|------------------|
| Selected resources at end of year: | | | | |
| Inventories and items on order: | | | | |
| Stores (goods unconsumed by projects) | \$2,619,092 | \$2,218,982 | \$2,300,000 | \$2,300,000 |
| Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received) | 4,520,875 | 7,801,981 | 5,713,793 | 6,463,793 |
| Advances (payment for goods and services on order not yet received) | 133,074 | 122,830 | 130,000 | 130,000 |
| Total selected resources at end of year | 7,273,041 | 10,143,793 | 8,143,793 | 8,893,793 |
| Selected resources at start of year (-) | -7,273,041 | -10,143,793 | -8,143,793 | |
| Adjustment of prior year costs and selected resources reported at start of year | 120,072 | ----- | ----- | |
| Costs financed from obligations of other years, net (-) | ----- | -2,000,000 | ----- | |
| Obligations incurred for costs of other years, net | 2,990,824 | ----- | 750,000 | |

Object Classification

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|--------------|---------------|---------------|
| FOREST SERVICE | | | |
| Total number of permanent positions | 9,433 | 9,973 | 10,190 |
| Full-time equivalent of all other positions | 4,123 | 3,494 | 3,947 |
| Average number of all employees | 12,623 | 12,556 | 13,205 |
| Number of employees at end of year | 17,246 | 18,146 | 18,546 |
| Average GS grade and salary | 6.8 | \$5,583 | 6.9 |
| Average salary of ungraded positions | | \$4,553 | \$4,754 |
| 01 Personal services: | | | |
| Permanent positions | \$48,783,374 | \$52,191,856 | \$53,248,311 |
| Positions other than permanent | 11,668,337 | 10,742,497 | 12,543,531 |
| Other personal services | 5,908,179 | 3,076,034 | 2,870,405 |
| Total personal services | 66,359,890 | 66,010,387 | 68,662,247 |
| 02 Travel | 3,133,049 | 3,231,000 | 3,402,000 |
| 03 Transportation of things | 877,664 | 676,000 | 757,000 |
| 04 Communication services | 869,640 | 829,000 | 850,000 |
| 05 Rents and utility services | 1,189,551 | 1,256,000 | 1,020,500 |
| 06 Printing and reproduction | 720,605 | 735,000 | 753,000 |
| 07 Other contractual services | 6,639,861 | 5,391,000 | 6,993,000 |
| Services performed by other agencies | 6,657,659 | 5,276,000 | 5,498,000 |
| 08 Supplies and materials | 8,307,399 | 6,683,012 | 8,115,152 |
| 09 Equipment | 2,328,509 | 2,193,000 | 2,578,000 |
| 10 Lands and structures | 5,721,527 | 2,707,000 | 4,407,000 |
| 11 Grants, subsidies, and contributions | 2,958,931 | 3,400,000 | 3,470,000 |
| Payments to States | 11,466,599 | 11,165,000 | 11,165,000 |
| 13 Refunds, awards, and indemnities | 54,432 | 72,000 | 85,000 |
| 15 Taxes and assessments | 362,990 | 319,000 | 360,000 |
| 16 Investments and loans | 105 | ----- | |
| Subtotal | 117,648,411 | 109,943,399 | 118,115,899 |
| Deduct quarters and subsistence charges | 1,124,529 | 1,115,809 | 1,115,809 |
| Total, Forest Service | 116,523,882 | 108,827,590 | 117,000,090 |
| ALLOCATION TO DEPARTMENT OF THE INTERIOR | | | |
| Total number of permanent positions | 9 | 14 | 14 |
| Full-time equivalent of all other positions | 67 | 64 | 64 |
| Average number of all employees | 80 | 83 | 83 |
| Number of employees at end of year | 223 | 211 | 211 |
| Average GS grade and salary | 6.7 | \$5,273 | 7.0 |
| 01 Personal services: | | | |
| Permanent positions | \$55,677 | \$84,638 | \$86,714 |
| Positions other than permanent | 237,477 | 223,347 | 221,449 |
| Other personal services | 23,343 | 21,110 | 21,057 |
| Total personal services | 316,497 | 329,095 | 329,220 |
| 02 Travel | 8,464 | 12,533 | 12,750 |
| 03 Transportation of things | 1,144 | 1,590 | 1,700 |
| 04 Communication services | 2,727 | 3,469 | 3,125 |
| 05 Rents and utility services | 5,261 | 10,830 | 6,300 |
| 06 Printing and reproduction | 67 | 146 | 150 |
| 07 Other contractual services | 65,687 | 85,148 | 76,235 |
| 08 Supplies and materials | 53,459 | 82,866 | 66,615 |
| 09 Equipment | 16,526 | 24,952 | 19,739 |
| 11 Grants, subsidies, and contributions | 4,156 | 5,678 | 5,580 |
| 13 Refunds, awards, and indemnities | 42 | ----- | |
| 15 Taxes and assessments | 5,582 | 5,103 | 4,996 |
| Total, Department of the Interior | 479,612 | 561,410 | 526,410 |
| Total obligations | 117,003,494 | 109,389,000 | 117,526,500 |

FOREST ROADS AND TRAILS

For expenses necessary for carrying out the provisions of title 23, United States Code, sections 203 and 205, relating to the construction and maintenance of forest development roads and trails, [\$26,000,000] \$30,000,000, to remain available until expended, for liquidation of obligations incurred pursuant to authority contained in title 23, United States Code, section 203: *Provided*, That funds available under the Act of March 4, 1913 (16 U.S.C. 501), shall be merged with and made a part of this appropriation: *Provided further*, That not less than the amount made available under the provisions of the Act of March 4, 1913, shall be expended under the provisions of such Act. (5 U.S.C. 565a; 73 Stat. 613; *Department of the Interior and Related Agencies Appropriation Act, 1960*.)

Appropriated 1960, a \$28,000,000 Estimate 1961, \$30,000,000

* Includes \$2,000,000 appropriated in Supplemental Appropriation Act, 1960.

Program and Financing

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|--------------|---------------|---------------|
| Program by activities: | | | |
| 1. Construction of roads and trails | \$33,546,761 | \$29,959,194 | \$32,140,000 |
| 2. Maintenance of roads and trails | 10,605,871 | 10,400,000 | 10,500,000 |
| Total program costs ¹ | 44,152,632 | 40,359,194 | 42,640,000 |
| 3. Relation of costs to obligations: | | | |
| Costs financed from obligations of other years, net (-) | -8,851,238 | ----- | |
| Obligations incurred for costs of other years, net | ----- | 2,000,000 | 1,000,000 |
| Total program (obligations) | 35,301,394 | 42,359,194 | 43,640,000 |
| Financing: | | | |
| Unobligated balance brought forward (contract authorization) | -26,915,895 | -30,499,194 | -30,000,000 |
| Unobligated balance carried forward (contract authorization) | 30,499,194 | 30,000,000 | ----- |
| New obligational authority | 38,884,693 | 41,860,000 | 13,640,000 |
| New obligational authority: | | | |
| Permanent contract authorization (new) (23 U.S.C. 203) | \$30,000,000 | \$30,000,000 | ----- |
| Permanent indefinite appropriation (16 U.S.C. 501) | 8,884,693 | 11,860,000 | \$13,640,000 |

¹ Includes capital outlay as follows: June 30, 1959, \$31,457,440; 1960, \$27,800,000; 1961, \$30,000,000.

1-2. *Construction and maintenance of roads and trails.*—Roads and trails are essential to protection and management of national forests and utilization of their resources. The system consists of approximately 152,800 miles of roads and 112,200 miles of supplemental trails.

The 1961 program will permit the construction of about 376 miles of general purpose roads and about 460 miles of timber access roads to harvest national forest timber, a total of 836 miles. This compares with 1,221 miles constructed in 1959 and 870 being constructed in 1960.

Contract authority for 1961, which, in accordance with the Federal-Aid Highway Act, became available in 1960, will finance forest roads and trails construction in 1961. It is anticipated that this program will be financed by direct appropriation in future years.

Of the amounts received annually from national forest activities 10% is available under the permanent appropriation, Roads and trails for States, for construction and maintenance within the State from which such proceeds are derived (16 U.S.C. 501). Such amounts are merged with this appropriation for obligational purposes.

FOREST SERVICE—Continued

Current authorizations—Continued

FOREST ROADS AND TRAILS—Continued

3. Relation of costs to obligations.—The relationship is derived from year-end balances of selected resources as reflected in the following table:

| | 1958 actual | 1959 actual | 1960 estimate | 1961 estimate |
|--|----------------|----------------|------------------|------------------|
| Selected resources at end of year: | | | | |
| Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)----- | \$15,705,734 | \$6,814,496 | \$8,814,496 | \$9,814,496 |
| Advances (payment for goods and services on order not yet received)----- | | 40,000 | 40,000 | 40,000 |
| Total selected resources at end of year----- | 15,705,734 | 6,854,496 | 8,854,496 | 9,854,496 |
| Selected resources at start of year (—)----- | -15,705,734 | -6,854,496 | -8,854,496 | |
| Costs financed from obligations of other years, net (—)----- | -8,851,238 | | | |
| Obligations incurred for costs of other years, net----- | | 2,000,000 | 1,000,000 | |

Object Classification

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|--------------|---------------|---------------|
| FOREST SERVICE | | | |
| Total number of permanent positions----- | 2,066 | 2,272 | 2,272 |
| Full-time equivalent of all other positions----- | 1,483 | 1,712 | 1,712 |
| Average number of all employees----- | 3,430 | 3,861 | 3,861 |
| Number of employees at end of year----- | 4,825 | 5,250 | 5,250 |
| Average GS grade and salary----- | 6.8 | \$5,583 | 6.9 |
| Average salary of ungraded positions----- | | \$4,553 | \$4,754 |
| 01 Personal services: | | | |
| Permanent positions----- | \$10,489,384 | \$11,689,181 | \$11,689,181 |
| Positions other than permanent----- | 5,265,804 | 6,186,151 | 6,186,151 |
| Other personal services----- | 295,985 | 309,122 | 264,668 |
| Total personal services----- | 16,051,173 | 18,184,454 | 18,140,000 |
| 02 Travel----- | 733,441 | 806,300 | 806,300 |
| 03 Transportation of things----- | 165,364 | 196,200 | 196,200 |
| 04 Communication services----- | 177,165 | 196,600 | 196,600 |
| 05 Rents and utility services----- | 318,221 | 367,200 | 367,200 |
| 06 Printing and reproduction----- | 52,322 | 60,600 | 60,600 |
| 07 Other contractual services: | | | |
| Services performed by other agencies----- | 3,241,368 | 5,345,000 | 5,465,000 |
| Supplies and materials----- | 3,440,020 | 4,068,000 | 4,068,000 |
| 08 Supplies and materials----- | 2,970,860 | 3,660,000 | 3,540,000 |
| 09 Equipment----- | 703,937 | 849,000 | 849,000 |
| 10 Lands and structures----- | 4,350,406 | 5,847,863 | 7,271,000 |
| 11 Grants, subsidies, and contributions----- | 692,671 | 786,700 | 786,700 |
| 13 Refunds, awards, and indemnities----- | 8,377 | 8,400 | 8,400 |
| 15 Taxes and assessments----- | 133,583 | 150,000 | 150,000 |
| Subtotal----- | 33,039,408 | 40,526,317 | 41,905,000 |
| Deduct quarters and subsistence charges----- | 234,715 | 259,245 | 265,000 |
| Total, Forest Service----- | 32,804,693 | 40,267,072 | 41,640,000 |

ALLOCATION TO BUREAU OF PUBLIC ROADS,
DEPARTMENT OF COMMERCE

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|-------------|---------------|---------------|
| ALLOCATION TO BUREAU OF PUBLIC ROADS, DEPARTMENT OF COMMERCE | | | |
| Total number of permanent positions----- | 100 | 100 | 100 |
| Full-time equivalent of all other positions----- | 51 | 50 | 50 |
| Average number of all employees----- | 141 | 140 | 140 |
| Number of employees at end of year----- | 98 | 100 | 100 |
| Average GS grade and salary----- | 8.1 | \$6,598 | 8.2 |
| 01 Personal services: | | | |
| Permanent positions----- | \$468,712 | \$475,000 | \$480,000 |
| Positions other than permanent----- | 188,017 | 185,000 | 185,000 |
| Other personal services----- | 26,716 | 30,000 | 20,000 |
| Total personal services----- | 683,445 | 690,000 | 685,000 |
| 02 Travel----- | 199,814 | 200,000 | 200,000 |
| 03 Transportation of things----- | 735 | 1,000 | 1,000 |
| 04 Communication services----- | 3,100 | 4,000 | 4,000 |
| 05 Rents and utility services----- | 16,817 | 17,000 | 17,000 |
| 06 Printing and reproduction----- | 1,833 | 2,000 | 2,000 |
| 07 Other contractual services: | | | |
| Services performed by other agencies----- | 25,659 | 26,000 | 26,000 |
| Supplies and materials----- | 443,810 | 444,000 | 444,000 |
| 08 Supplies and materials----- | 9,552 | 9,000 | 9,000 |
| 09 Equipment----- | 730 | 1,000 | 1,000 |
| 10 Lands and structures----- | 1,076,395 | 662,122 | 575,000 |
| 11 Grants, subsidies, and contributions----- | 30,424 | 31,000 | 31,000 |
| 15 Taxes and assessments----- | 4,700 | 5,000 | 5,000 |
| Subtotal----- | 2,497,014 | 2,092,122 | 2,000,000 |
| Deduct quarters and subsistence charges----- | 313 | | |
| Total, Bureau of Public Roads----- | 2,496,701 | 2,092,122 | 2,000,000 |
| Total obligations----- | 35,301,394 | 42,359,194 | 43,640,000 |

FOREST ROADS AND TRAILS (LIQUIDATION OF CONTRACT AUTHORIZATION)

Status of Unfunded Contract Authorization

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|--------------|---------------|---------------|
| Unfunded balance at beginning of year----- | \$34,664,000 | \$38,664,000 | \$40,664,000 |
| Permanent contract authorization (new)----- | 30,000,000 | 30,000,000 | |
| Unfunded balance at end of year----- | -38,664,000 | -40,664,000 | -10,664,000 |
| Appropriation to liquidate contract authority----- | 26,000,000 | 28,000,000 | 30,000,000 |

NOTE.—This program is described under "Forest roads and trails."

ACCESS ROADS

For acquiring by condemnation or otherwise additional roads needed for access to national-forest lands in carrying out the Act of June 4, 1897, as amended (16 U.S.C. 471, 472, 475, 476, 551), \$1,000,000, to remain available until expended. (*Supplemental Appropriation Act, 1960*.)

Appropriated 1960, \$1,000,000

Estimate 1961, \$1,000,000

Program and Financing

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|-------------|---------------|---------------|
| Program by activities: | | | |
| Access roads (total costs ¹ —obligations) (object class 10)----- | | | \$1,000,000 |
| Financing: | | | |
| Appropriation (new obligational authority)----- | | 1,000,000 | 1,000,000 |

¹ Includes capital outlay as follows: June 30, 1960, \$1,000,000; 1961, \$1,000,000.

Full or partial interest in existing roads or rights-of-way is purchased (or obtained by condemnation if purchase negotiations fail) to provide access to national-forest areas where road access is a serious problem.

ACQUISITION OF LANDS FOR NATIONAL FORESTS

SUPERIOR NATIONAL FOREST

For the acquisition of forest land within the Superior National Forest, Minnesota, under the provisions of the Act of June 22, 1948 (62 Stat. 570; 16 U.S.C. 577c-h), as amended, \$1,000,000, to remain available until expended: Provided, That no part of this appropriation shall be used for the acquisition of any land without the approval of the local government concerned.

Estimate 1961, \$1,000,000

Program and Financing

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|-------------|---------------|---------------|
| Program by activities: | | | |
| Acquisition of lands for Superior National Forest (total program costs ¹)----- | \$601,860 | \$93,470 | \$170,000 |
| Relation of costs to obligations: | | | |
| Costs financed from obligations of other years (unpaid undelivered orders), net (—)----- | -84,808 | -78,627 | |
| Obligations incurred for costs of other years (unpaid undelivered orders), net----- | | | 830,000 |
| Total program (obligations)----- | 517,052 | 14,843 | 1,000,000 |
| Financing: | | | |
| Unobligated balance brought forward----- | -531,895 | -14,843 | |
| Unobligated balance carried forward----- | 14,843 | | |
| Appropriation (new obligational authority)----- | | | 1,000,000 |

¹ Includes capital outlay as follows: June 30, 1959, \$589,445; 1960, \$91,600; 1961, \$166,600.

As of June 30, 1960, approximately 37,270 acres of land will have been acquired to preserve the wilderness conditions of part of the Superior National Forest in Minnesota.

The appropriation proposed will complete the authorization of \$2,500,000 and will permit acquisition of most of the remaining improved tracts.

2. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1958, \$233,435; 1959, \$148,627; 1960, \$70,000; 1961, \$900,000.

Object Classification

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|-------------|---------------|---------------|
| Total number of permanent positions | 1 | 2 | |
| Average number of all employees | 2 | 3 | |
| Number of employees at end of year | 1 | 2 | |
| Average GS grade and salary | 6.8 \$5,583 | 6.9 \$5,614 | |
| 01 Personal services: | | | |
| Permanent positions | \$10,562 | \$21,118 | |
| Positions other than permanent | 6 | | |
| Other personal services | 41 | 82 | |
| Total personal services | 10,609 | 21,200 | |
| 02 Travel | 569 | 1,100 | |
| 04 Communication services | 25 | 100 | |
| 07 Other contractual services | 552 | 1,000 | |
| 08 Supplies and materials | 76 | | |
| 09 Equipment | 14 | | |
| 10 Lands and structures | 504,513 | \$14,843 | 975,200 |
| 11 Grants, subsidies, and contributions | 694 | | 1,400 |
| Total obligations | 517,052 | 14,843 | 1,000,000 |

SPECIAL ACTS

(Special fund)

For the acquisition of land in the Cache National Forest, Utah, in accordance with the Act of May 11, 1938 (52 Stat. 347), as amended, \$10,000, to be derived from forest receipts as authorized by said Act: *Provided*, That no part of this appropriation shall be used for acquisition of any land which is not within the boundaries of a national forest: *Provided further*, That no part of this appropriation shall be used for the acquisition of any land without the approval of the local government concerned. (*Department of the Interior and Related Agencies Appropriation Act, 1960*.)

Appropriated 1960, \$10,000

Estimate 1961, \$10,000

Program and Financing

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|-------------|---------------|---------------|
| Program by activities: | | | |
| 1. Cache National Forest, Utah (total program costs) | \$705 | \$10,000 | \$10,000 |
| 2. Relation of costs to obligations: Obligations incurred for costs of other years (unpaid undelivered orders), net | 8,893 | | |
| Total program (obligations) | 9,598 | 10,000 | 10,000 |
| Financing: | | | |
| Appropriation (new obligational authority) | 9,598 | 10,000 | 10,000 |

1. On the basis of agreements with certain counties in Utah, national forest receipts, including portions which would normally be paid to county road and school funds, are appropriated for purchase of privately owned lands within the Cache National Forest to aid in the control of soil erosion and flood damage.

2. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1958, \$10,189; 1959, \$19,082; 1960, \$19,082; 1961, \$19,082.

Object Classification

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|-------------|---------------|---------------|
| Average number of all employees | 1 | 1 | 1 |
| Number of employees at end of year | 0 | 0 | 0 |
| Average GS grade and salary | 6.8 \$5,583 | 6.9 \$5,617 | 6.9 \$5,614 |
| 01 Personal services: Permanent positions | \$625 | \$640 | \$640 |
| 02 Travel | 39 | 39 | 39 |

Object Classification—Continued

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|-------------|---------------|---------------|
| 05 Rents and utility services | \$28 | | |
| 06 Printing and reproduction | 9 | | |
| 07 Other contractual services | 2 | \$50 | \$50 |
| 08 Supplies and materials | | 12 | 12 |
| 10 Lands and structures | 8,893 | 9,217 | 9,217 |
| 11 Grants, subsidies, and contributions | 41 | 42 | 42 |
| Total obligations | 9,598 | 10,000 | 10,000 |

CACHE NATIONAL FOREST

For the acquisition of lands within the boundaries of the Cache National Forest, Utah, under the authority of the Act of July 24, 1956 (70 Stat. 632), \$50,000, to remain available until expended. (*Department of the Interior and Related Agencies Appropriation Act, 1960*.)

Appropriated 1960, \$50,000

Program and Financing

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|-------------|---------------|---------------|
| Program by activities: | | | |
| 1. Acquisition of lands for Cache National Forest (total program costs) ¹ | \$16,435 | \$84,985 | \$65,000 |
| 2. Relation of costs to obligations: | | | |
| Costs financed from obligations of other years (unpaid undelivered orders), net (—) | —657 | | —65,000 |
| Obligations incurred for costs of other years (unpaid undelivered orders), net | | 52,653 | |
| Total program (obligations) | 15,778 | 137,638 | |
| Financing: | | | |
| Unobligated balance brought forward | —53,416 | —87,638 | |
| Unobligated balance carried forward | 87,638 | | |
| Appropriation (new obligational authority) | 50,000 | 50,000 | |

¹ Includes capital outlay as follows: June 30, 1959, \$13,004; 1960, \$82,985; 1961, \$65,000.

1. Lands are acquired within the Cache National Forest, Utah, to enable control and minimization of soil erosion and flood damage. The 1960 appropriation completed the authorization of \$200,000.

2. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1958, \$13,004; 1959, \$12,347; 1960, \$65,000.

Object Classification

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|-------------|---------------|---------------|
| Average number of all employees | | | |
| Average number of all employees | 1 | 1 | |
| Number of employees at end of year | 0 | 0 | |
| Average GS grade and salary | 6.8 \$5,583 | 6.9 \$5,617 | |
| 01 Personal services: Permanent positions | \$3,045 | \$2,530 | |
| 02 Travel | 67 | 130 | |
| 05 Rents and utility services | 31 | | |
| 07 Other contractual services | 143 | 171 | |
| 10 Lands and structures | 12,297 | 134,639 | |
| 11 Grants, subsidies, and contributions | 195 | 168 | |
| Total obligations | 15,778 | 137,638 | |

COOPERATIVE RANGE IMPROVEMENTS

(Special fund)

For artificial revegetation, construction, and maintenance of range improvements, control of rodents, and eradication of poisonous and noxious plants on national forests in accordance with section 12 of the Act of April 24, 1950 (16 U.S.C. 580h), to be derived from grazing fees as authorized by said section, \$700,000, to remain available until expended. (*Department of the Interior and Related Agencies Appropriation Act, 1960*.)

Appropriated 1960, \$700,000

Estimate 1961, \$700,000

FOREST SERVICE—Continued

Current authorizations—Continued

COOPERATIVE RANGE IMPROVEMENTS—Continued

(Special fund)—Continued

Program and Financing

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|-------------|---------------|---------------|
| Program by activities: | | | |
| Advanced to "Forest protection and utilization" (total costs—obligations) (object class 07) | \$700,000 | \$700,000 | \$700,000 |
| Financing: | | | |
| Appropriation (new obligatory authority) | 700,000 | 700,000 | 700,000 |

Part of the grazing fees from the national forests, when appropriated, are used to protect or improve the productivity of the range, mainly by construction and maintenance of fences, stock watering facilities, bridges, corrals, and driveways. These funds are advanced to and merged with the appropriation Forest protection and utilization, subappropriation Forest land management.

ASSISTANCE TO STATES FOR TREE PLANTING

Program and Financing

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|-------------|---------------|---------------|
| Program by activities: | | | |
| 1. Tree planting assistance (total program costs) | \$2,772 | \$6,003 | ----- |
| 2. Relation of costs to obligations: Costs financed from obligations of other year: (unpaid undelivered orders), net (—) | ----- | —4,227 | ----- |
| Obligations incurred for costs of other years (unpaid undelivered orders), net | 4,227 | ----- | ----- |
| Total program (obligations) | 6,999 | 1,776 | ----- |
| Financing: | | | |
| Unobligated balance brought forward | —8,775 | —1,776 | ----- |
| Unobligated balance carried forward | 1,776 | ----- | ----- |
| Appropriation (new obligatory authority) | ----- | ----- | ----- |

1. To carry out section 401 of the Agricultural Act of 1956, assistance was given in 1959 and 1960 to the State forester or other State official, through technical advice and financial contribution, to carry out increased tree planting and reforestation work in accordance with plans submitted by the State and approved by the Secretary of Agriculture.

2. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$4,227.

Object Classification

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|-------------|---------------|---------------|
| 02 Travel | \$474 | ----- | ----- |
| 07 Other contractual services | 3,693 | ----- | ----- |
| 11 Grants, subsidies, and contributions | 2,832 | \$1,776 | ----- |
| Total obligations | 6,999 | 1,776 | ----- |

GENERAL PROVISIONS, FOREST SERVICE

SEC. 201. Appropriations available to the Forest Service for the current fiscal year shall be available for: (a) purchase of not to exceed [seventy-five] ninety-eight passenger motor vehicles for

replacement only, and hire of such vehicles; operation and maintenance of aircraft and the purchase of not to exceed [three] four of which two shall be for replacement only; (b) employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), in an amount not to exceed \$25,000; (c) uniforms, or allowances therefor, as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131); (d) purchase, erection, and alteration of buildings and other public improvements (5 U.S.C. 565a); and (e) expenses of the National Forest Reservation Commission as authorized by section 14 of the Act of March 1, 1911 (16 U.S.C. 514).

SEC. 202. Except to provide materials required in or incident to research or experimental work where no suitable domestic product is available, no part of the funds appropriated to the Forest Service shall be expended in the purchase of twine manufactured from commodities or materials produced outside of the United States.

SEC. 203. No part of any appropriation to the Forest Service in this Act shall be used for publicity or propaganda purposes to support or defeat legislation pending before the Congress.

[SEC. 204. The Secretary may sell at market value any property located in Yalobusha, Chickasaw, and Pontotoc Counties, Mississippi, administered under title III of the Act of July 22, 1937, and suitable for return to private ownership under such terms and conditions as would not conflict with the purposes of said Act.]

SEC. [205] 204. Funds appropriated under this Act shall not be used for acquisition of forest lands under the provisions of the Act approved March 1, 1911, as amended (16 U.S.C. 513–519, 521), where such land is not within the boundaries of a national forest nor shall these lands or lands authorized for purchase in Sanders County, Montana, be acquired without the approval of the local government concerned.

SEC. 205. The Secretary may acquire lands within the exterior boundaries of national forests in the States of Missouri, Illinois, Wisconsin, or Minnesota, suitable for administration in connection with the national forests, by exchanging therefor not to exceed an equal value of national-forest land in the State of Iowa pursuant to the provisions of subsection (a) of section 11 of the Act of August 3, 1956 (7 U.S.C. 428a). Such exchanges may be subject to such outstanding rights, reservations, and conditions as the Secretary may deem appropriate. (Department of the Interior and Related Agencies Appropriation Act, 1960.)

ALLOCATIONS AND ALLOTMENTS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allocations or allotments from other accounts are included in the schedule of the parent appropriations as follows:

"Watershed protection," Soil Conservation Service.
"Flood prevention," Soil Conservation Service.
"Agricultural conservation program," Agricultural Conservation Program Service.
"Great Plains conservation program," Soil Conservation Service.
"Conservation reserve program," Commodity Stabilization Service.
"Construction, general," rivers and harbors and flood control, Army—Civil.
"Mutual security—economic" funds appropriated to the President.
"Salaries and expenses," Office of Civil and Defense Mobilization.
"Civil defense and defense mobilization functions of Federal agencies," Office of Civil and Defense Mobilization.

Permanent authorizations:

EXPENSES, BRUSH DISPOSAL

(Indefinite special fund)

Appropriated (est.) 1960, \$6,500,000 Estimate 1961, \$6,500,000

Program and Financing

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|-------------|---------------|---------------|
| Program by activities: | | | |
| 1. Brush disposal | \$4,649,803 | \$5,500,000 | \$6,000,000 |
| 2. Fighting forest fires | 1,622,964 | ----- | ----- |
| Total program costs | 6,272,767 | 5,500,000 | 6,000,000 |
| 3. Relation of costs to obligations: Obligations incurred for costs of other years (unpaid undelivered orders), net | 20,772 | ----- | ----- |
| Total program (obligations) | 6,293,539 | 5,500,000 | 6,000,000 |
| Financing: | | | |
| Unobligated balance brought forward | —1,775,362 | —1,827,786 | —4,450,750 |
| Advances and reimbursements from other accounts | —550,369 | —1,622,964 | 4,450,750 |
| Unobligated balance carried forward | 1,827,786 | 4,450,750 | 4,950,750 |
| Appropriation (new obligatory authority) | 5,795,594 | 6,500,000 | 6,500,000 |

¹ Includes capital outlay as follows: June 30, 1959, \$505,863; 1960, \$500,000; 1961, \$550,000.

Payments made for this purpose by purchasers of national-forest timber are used to dispose of slash and other debris that result from cutting operations (16 U.S.C. 490).

3. *Relation of costs to obligations.*—The year-end balances of unpaid undelivered orders are as follows: 1958, \$140,876; 1959, \$161,648; 1960, \$161,648; 1961, \$161,648.

Object Classification

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|-------------|---------------|---------------|
| Total number of permanent positions..... | 214 | 234 | 244 |
| Full-time equivalent of all other positions..... | 669 | 600 | 640 |
| Average number of all employees..... | 914 | 866 | 916 |
| Number of employees at end of year..... | 1,586 | 1,550 | 1,580 |
| Average GS grade and salary..... | 6.8 | \$5,583 | 6.9 |
| Average salary of ungraded positions..... | | \$4,553 | |
| 01 Personal services: | | | |
| Permanent positions..... | \$1,278,433 | \$1,411,836 | \$1,464,986 |
| Positions other than permanent..... | 1,915,452 | 2,120,351 | 2,272,188 |
| Other personal services..... | 776,760 | 204,726 | 199,726 |
| 02 Travel..... | 3,970,645 | 3,736,913 | 3,936,900 |
| 03 Transportation of things..... | 66,640 | 39,080 | 45,400 |
| 04 Communication services..... | 43,180 | 27,945 | 32,400 |
| 05 Rents and utility services..... | 32,598 | 34,797 | 40,400 |
| 06 Printing and reproduction..... | 76,584 | 49,323 | 57,300 |
| 07 Other contractual services: | | | |
| Services performed by other agencies..... | 6,973 | 8,434 | 10,000 |
| 08 Supplies and materials..... | 634,724 | 342,972 | 485,500 |
| 09 Equipment..... | 539,123 | 495,671 | 501,300 |
| 10 Lands and structures..... | 543,787 | 371,269 | 419,000 |
| 11 Grants, subsidies, and contributions..... | 187,507 | 196,060 | 227,700 |
| 12 Refunds, awards, and indemnities..... | 134,056 | 163,278 | 189,700 |
| 13 Taxes and assessments..... | 116,173 | 105,316 | 122,300 |
| 14 Subtotal..... | 13,090 | 1,014 | 1,200 |
| Deduct quarters and subsistence charges..... | 52,614 | 56,765 | 65,900 |
| Total obligations..... | 6,417,694 | 5,628,837 | 6,135,000 |
| | 124,155 | 128,837 | 135,000 |
| | 6,293,539 | 5,500,000 | 6,000,000 |

OTHER FOREST SERVICE PERMANENT APPROPRIATIONS

(Indefinite special funds unless otherwise indicated)

Appropriated (est.) 1960, \$30,548,758 Estimate 1961, \$34,960,170

Program and Financing

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|-------------|---------------|---------------|
| Program by activities: | | | |
| 1. Forest fire prevention..... | \$23,903 | \$20,646 | \$20,000 |
| 2. Restoration of forest lands and improvements..... | 5,559 | 107,083 | 100,000 |
| 3. Payment to Minnesota..... | 48,240 | 121,309 | 121,309 |
| 4. Payments due counties, submarginal land program..... | 460,109 | 500,000 | 500,000 |
| 5. Payments to school funds, Arizona and New Mexico..... | 117,161 | 113,861 | 113,861 |
| 6. Payments to States and Territories..... | 22,204,787 | 29,668,588 | 34,105,000 |
| 7. Construction of improvements, Salt Lake City, Utah..... | | 25,000 | |
| Total program costs..... | 22,859,759 | 30,556,487 | 34,960,170 |
| 8. Relation of costs to obligations: Obligations incurred for costs of other years (unpaid undelivered orders), net..... | 1,833 | | |
| Total program (obligations)..... | 22,861,592 | 30,556,487 | 34,960,170 |
| Financing: | | | |
| Unobligated balance brought forward..... | -10,929 | -7,729 | |
| Unobligated balance carried forward..... | 7,729 | | |
| New obligational authority..... | 22,858,392 | 30,548,758 | 34,960,170 |

| | | | |
|--|------------|------------|------------|
| New obligational authority: | | | |
| "Forest fire prevention" | \$15,453 | \$20,000 | \$20,000 |
| "Restoration of forest lands and improvements" | 12,642 | 100,000 | 100,000 |
| "Payment to Minnesota (Cook, Lake, and St. Louis Counties) from the national forests fund" | 48,240 | 121,309 | 121,309 |
| "Payments due counties, submarginal land program, Farm Tenant Act" | 460,109 | 500,000 | 500,000 |
| "Payments to school funds, Arizona and New Mexico, act of June 20, 1910" (indefinite general fund) | 117,161 | 113,861 | 113,861 |
| "Payments to States and territories from the national forests fund" | 22,204,787 | 29,668,588 | 34,105,000 |
| "Construction of improvements, Salt Lake City, Utah" | | 25,000 | |
| Appropriation..... | 22,858,392 | 30,548,758 | 34,960,170 |

1. *Forest fire prevention.*—Fees for the use of the character "Smokey Bear" by private enterprises are collected under regulations promulgated by the Secretary and are available for furthering the nationwide forest fire prevention campaign (18 U.S.C. 711).

2. *Restoration of forest lands and improvements.*—Funds received from settlement of claims involving damage to lands or improvements and from forfeiture of deposits and bonds by permittees and timber purchasers are used for the restoration made necessary by the action which led to the settlement or forfeiture (72 Stat. 217).

3. *Payment to Minnesota.*—At the close of each fiscal year the State of Minnesota is paid 0.75% of the appraised value of certain Superior National Forest lands in the counties of Cook, Lake, and St. Louis for distribution to these counties (16 U.S.C. 577g).

4. *Payments due counties, submarginal land program.*—Of the revenues received from the use of submarginal lands, 25% is paid to the counties in which such land is situated for school and road purposes (7 U.S.C. 1012).

5. *Payments to school funds, Arizona and New Mexico.*—The States of Arizona and New Mexico are paid a share of the national-forest receipts for school purposes (36 Stat. 562, 573).

6. *Payments to States and territories.*—With minor exceptions, 25% of the money received from the national forests is paid to the States and territories for public schools and roads of the county in which such forests are situated (16 U.S.C. 500).

7. *Construction of improvements, Salt Lake City, Utah.*—Funds from sale of Forest Service property to Salt Lake City will be used for construction of a fire warehouse and related facilities (72 Stat. 589).

8. *Relation of costs to obligations.*—The year-end balances of unpaid undelivered orders are as follows: 1959, \$1,833; 1960, \$1,833; 1961, \$1,833.

Object Classification

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|-------------|---------------|---------------|
| Total number of permanent positions..... | 3 | 3 | 3 |
| Full-time equivalent of all other positions..... | 1 | 12 | 12 |
| Average number of all employees..... | 4 | 16 | 16 |
| Number of employees at end of year..... | 3 | 3 | 3 |
| Average GS grade and salary..... | 6.8 | \$5,583 | 6.9 |
| 01 Personal services: | | | |
| Permanent positions..... | \$10,558 | \$15,245 | \$15,245 |
| Positions other than permanent..... | 4,810 | 41,303 | 41,303 |
| Other personal services..... | 458 | 3,174 | 3,055 |
| Total personal services..... | 15,826 | 59,722 | 59,603 |
| 02 Travel..... | | 4,728 | 4,600 |
| 03 Transportation of things..... | | 1,139 | 1,000 |
| 04 Communication services..... | | 2,500 | 4,910 |
| 05 Printing and reproduction..... | | 2,535 | 4,910 |
| 07 Other contractual services: | | | |
| Services performed by other agencies..... | 4,780 | 24,552 | 20,267 |
| 08 Supplies and materials..... | | 990 | 1,316 |
| 09 Equipment..... | | 3,855 | 22,466 |
| 10 Lands and structures..... | | | 19,830 |
| 11 Grants, subsidies, and contributions..... | | 25,000 | 1,200 |
| 15 Taxes and assessments..... | | 22,831,005 | 30,406,559 |
| Total obligations..... | | 71 | 1,057 |
| | 22,861,592 | 30,556,487 | 34,960,170 |

Intragovernmental funds:

WORKING CAPITAL FUND, FOREST SERVICE

This fund finances on a reimbursable basis various services such as repairing and replacing equipment, stocking and issuing supplies, and operation of photographic and reproduction facilities in support of programs of the Forest Service (16 U.S.C. 579b). These service operations serve programs of fire protection, timber

FOREST SERVICE—Continued

Intragovernmental funds—Continued

WORKING CAPITAL FUND, FOREST SERVICE—Continued

utilization, construction and maintenance of roads and other improvements, reforestation, grazing, watershed, forest and forest products research, and kindred conservation activities of the Forest Service, including cooperative assistance with other Federal agencies, States, counties, and individuals engaged in the same objectives. Government investment in the fund as of June 30, 1959, including donated assets at its inception and retained earnings for 1959, is \$17,133,901. By the end of 1961 the investment is anticipated to be \$20,164,858, an increase of \$3,030,957, which represents estimated earnings and donations during 1960 and 1961. Earnings are retained to furnish adequate working capital.

Sources and Applications of Funds (Operations)

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|-------------|---------------|---------------|
| Gross expenditures (funds applied): | | | |
| Equipment and supply service: | | | |
| Acquisition of equipment..... | \$3,699,649 | \$3,886,904 | \$4,348,928 |
| Expense: | | | |
| Commodities and materials purchased..... | 4,658,455 | 4,543,847 | 5,000,000 |
| Other expense..... | 6,883,768 | 7,591,465 | 8,403,055 |
| Adjustment of working capital assumed in prior year..... | 173 | | |
| Increase in selected working capital..... | | 148,772 | 2,392 |
| Total gross expenditures..... | 15,242,045 | 16,170,988 | 17,754,375 |
| Receipts from operations (funds provided): | | | |
| Equipment and supply service: | | | |
| Revenue..... | 14,931,831 | 15,375,755 | 17,000,000 |
| Proceeds from sale of equipment..... | 664,310 | 704,645 | 800,000 |
| Selected working capital assumed..... | | | |
| Decrease in selected working capital..... | 84,601 | | |
| Total receipts from operations..... | 15,680,742 | 16,080,400 | 17,800,000 |
| Budget expenditures..... | -438,697 | 90,588 | -45,625 |

Revenue, Expense, and Retained Earnings

| | | | |
|--|--------------|--------------|--------------|
| Equipment and supply service: | | | |
| Revenue..... | \$14,931,831 | \$15,375,755 | \$17,000,000 |
| Expense..... | 14,638,774 | 15,124,041 | 16,749,382 |
| Net operating income, equipment, and supply service..... | 293,057 | 251,714 | 250,618 |
| Nonoperating income: | | | |
| Proceeds from sale of equipment..... | 664,310 | 704,645 | 800,000 |
| Net book value of equipment sold (-)..... | -258,828 | -343,811 | -400,000 |
| Net nonoperating income..... | 405,482 | 360,634 | 400,000 |
| Net income for the year..... | 698,539 | 612,548 | 650,618 |
| Retained earnings, beginning of year..... | 638,295 | 1,336,834 | 1,949,382 |
| Retained earnings, end of year..... | 1,336,834 | 1,949,382 | 2,600,000 |

Financial Condition

| | | | |
|---|-------------|-------------|-------------|
| Assets: | | | |
| Cash with Treasury..... | \$1,944,963 | \$1,854,375 | \$1,900,000 |
| Accounts receivable, net..... | 1,812,181 | 1,621,965 | 1,650,000 |
| Advances..... | 1,850 | 2,000 | 2,000 |
| Commodities, materials, and supplies..... | 843,134 | 1,296,326 | 1,450,000 |
| Equipment, net..... | 14,632,611 | 15,805,825 | 16,700,001 |
| Buildings and other structures..... | 12,356 | 262,857 | 262,857 |
| Total assets..... | 19,247,095 | 20,843,348 | 21,964,858 |
| Liabilities: | | | |
| Current..... | 2,113,194 | 1,774,356 | 1,800,000 |
| Government investment: | | | |
| Non-interest-bearing capital: | | | |
| Start of year..... | 14,741,045 | 15,797,067 | 17,119,610 |
| Assets assumed during the year..... | 1,056,022 | 1,322,543 | 445,248 |
| End of year..... | 15,797,067 | 17,119,610 | 17,564,858 |
| Retained earnings..... | 1,336,834 | 1,949,382 | 2,600,000 |
| Total Government investment..... | 17,133,901 | 19,068,992 | 20,164,858 |

NOTE: Unpaid undelivered orders are as follows: June 30, 1958, \$1,214,426; 1959, \$1,031,512; 1960, \$645,132; 1961, \$893,149.

| | Object Classification | | |
|--|-----------------------|---------------|---------------|
| | 1959 actual | 1960 estimate | 1961 estimate |
| Total number of permanent positions..... | 581 | 599 | 614 |
| Full-time equivalent of all other positions..... | 89 | 92 | 137 |
| Average number of all employees..... | 677 | 700 | 760 |
| Number of employees at end of year..... | 631 | 652 | 677 |
| Average GS grade and salary..... | 6.8 | \$5,583 | \$5,617 |
| Average salary of ungraded positions..... | | \$4,553 | \$4,754 |
| 01 Personal services: | | | |
| Permanent positions..... | | \$3,104,999 | \$3,266,850 |
| Positions other than permanent..... | | 335,312 | 356,657 |
| Other personal services..... | | 84,154 | 93,966 |
| Total personal services..... | | 3,524,465 | 3,719,473 |
| 02 Travel..... | | 151,761 | 166,051 |
| 03 Transportation of things..... | | 255,807 | 264,695 |
| 04 Communication services..... | | 75,796 | 77,166 |
| 05 Rents and utility services..... | | 153,453 | 155,604 |
| 06 Printing and reproduction..... | | 10,246 | 11,975 |
| 07 Other contractual services: | | | |
| Services performed by other agencies..... | | 73,073 | 75,415 |
| Supplies and materials..... | | 6,186,471 | 6,497,529 |
| Equipment..... | | 3,441,493 | 3,428,809 |
| 11 Grants, subsidies, and contributions..... | | 201,986 | 212,877 |
| 13 Refunds, awards, and indemnities..... | | 2,045 | 2,349 |
| 15 Taxes and assessments..... | | 9,464 | 11,502 |
| Subtotal..... | | 15,064,885 | 15,642,759 |
| Deduct quarters and subsistence charges..... | | 5,008 | 6,773 |
| Total obligations..... | | 15,059,877 | 15,635,936 |
| ADVANCES AND REIMBURSEMENTS | | | |
| Program and Financing | | | |
| | 1959 actual | 1960 estimate | 1961 estimate |

| | | | |
|---|-------------|-------------|-------------|
| Program by activities: | | | |
| 1. Repair of equipment and sale of supplies, materials, and equipment to other activities of Forest Service; the Departments of Agriculture, Commerce, Interior, Defense, and Post Office; Veterans Administration; Atomic Energy Commission; and other agencies..... | \$1,518,894 | \$1,000,000 | \$1,000,000 |
| 2. Construction and maintenance of roads, trails, and other improvements..... | 677,188 | 2,670,000 | 2,670,000 |
| 3. Forest fire protection and suppression..... | 845,233 | 1,000,000 | 1,000,000 |
| 4. Surveys, land appraisals, mapping, cruising timber, and preparation of timber management plans, snow scale readings, etc., on national forest and other lands..... | 549,222 | 800,000 | 800,000 |
| 5. Insect and disease control..... | 28,263 | 200,000 | 200,000 |
| 6. Forest research at experimental forests and ranges..... | 323,404 | 335,000 | 335,000 |
| 7. Investigations at Forest Products Laboratory..... | 749,345 | 700,000 | 700,000 |
| 8. Forest resources surveys and investigations..... | 101,323 | 120,000 | 120,000 |
| 9. Cooperation in forest fire control, forest management and processing, and forest tree planting..... | 267,547 | 405,000 | 405,000 |
| Total program (costs ¹ —obligations)..... | 5,060,429 | 7,230,000 | 7,230,000 |

| | | | |
|---|-----------|-----------|-----------|
| Financing: | | | |
| Advances and reimbursements from— | | | |
| Other accounts..... | 4,307,039 | 6,100,000 | 6,100,000 |
| Non-Federal sources (16 U.S.C. 504a, 572, 580, 580a; 40 U.S.C. 481(c))..... | 753,390 | 1,130,000 | 1,130,000 |
| Total financing..... | 5,060,429 | 7,230,000 | 7,230,000 |

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|-------------|---------------|---------------|
| Object Classification | | | |
| Total number of permanent positions..... | 302 | 291 | 266 |
| Full-time equivalent of all other positions..... | 208 | 314 | 339 |
| Average number of all employees..... | 496 | 626 | 626 |
| Number of employees at end of year..... | 446 | 397 | 397 |
| Average GS grade and salary..... | 6.8 | \$5,583 | \$5,617 |
| Average salary of ungraded positions..... | | \$4,553 | \$4,754 |
| 01 Personal services: | | | |
| Permanent positions..... | | \$1,736,747 | \$1,255,434 |
| Positions other than permanent..... | | 713,455 | 1,106,096 |
| Other personal services..... | | 103,396 | 133,049 |
| Total personal services..... | | 2,553,628 | 3,064,579 |
| 1 Includes capital outlays as follows: June 30, 1959, \$839,468; 1960, \$1,200,000; 1961, \$1,200,000. | | | |

Object Classification—Continued

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|-------------|---------------|---------------|
| 02 Travel | \$87,845 | \$172,000 | \$172,000 |
| 03 Transportation of things | 24,903 | 60,000 | 60,000 |
| 04 Communication services | 21,357 | 39,000 | 39,000 |
| 05 Rents and utility services | 37,514 | 52,000 | 52,000 |
| 06 Printing and reproduction | 29,745 | 37,000 | 37,000 |
| 07 Other contractual services | 450,656 | 865,000 | 880,400 |
| Services performed by other agencies | 726,234 | 1,114,000 | 1,114,000 |
| 08 Supplies and materials | 773,458 | 1,381,321 | 1,377,457 |
| 09 Equipment | 49,286 | 68,000 | 68,000 |
| 10 Lands and structures | 210,669 | 215,000 | 215,000 |
| 11 Grants, subsidies, and contributions | 89,555 | 142,000 | 133,000 |
| 13 Refunds, awards, and indemnities | 91 | 100 | 100 |
| 15 Taxes and assessments | 5,545 | 25,000 | 30,000 |
| Subtotal | 5,060,486 | 7,235,000 | 7,235,000 |
| Deduct quarters and subsistence charges | 57 | 5,000 | 5,000 |
| Total obligations | 5,060,429 | 7,230,000 | 7,230,000 |

Proposed for later transmission:

FOREST PROTECTION AND UTILIZATION

Program and Financing

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|-------------|---------------|---------------|
| Program by activities: | | | |
| Forest land management; Fighting forest fires (total costs—obligations) | | \$21,500,000 | |
| Financing: | | | |
| Proposed supplemental appropriation | | 21,500,000 | |

Under existing legislation, 1960.—A supplemental appropriation for 1960 in the amount of \$21.5 million is anticipated for fighting forest fires.

Statement of proposed obligations for purchase and hire of passenger motor vehicles for the fiscal year 1961

| Appropriation | Motor vehicles to be purchased | | Old vehicles to be exchanged | | Net cost of vehicles to be purchased | Old vehicles still to be used | Cost of hire of motor vehicles | Users and public purpose |
|---|--------------------------------|------------|------------------------------|----------------------|--------------------------------------|-------------------------------|--------------------------------|---|
| | Number | Gross cost | Number | Allowance (estimate) | | | | |
| AGRICULTURAL RESEARCH SERVICE | | | | | | | | |
| Salaries and expenses: | | | | | | | | |
| Research | 49 | \$73,500 | 44 | \$19,800 | \$53,700 | 320 | \$33,000 | Scientific and technical personnel: For necessary field travel in carrying out research programs on agricultural problems relating to production and utilization of agricultural products, including use of one automobile at National Arboretum in Washington, D.C. |
| Station wagon | 6 | 11,700 | 6 | 2,700 | 9,000 | 31 | 500 | Officials and employees at Plum Island, N.Y., foot-and-mouth research laboratory: For use of employees who may require ambulance service. No private vehicles allowed on island. |
| Ambulance | | | | | | | | Officials and employees at Plum Island, N.Y., foot-and-mouth research laboratory: For use in transporting employees from ferry to laboratory and return. No private vehicles allowed on island. |
| Bus | | | | | | 6 | | |
| Plant and animal disease and pest control | 115 | 172,500 | 115 | 51,750 | 120,750 | 573 | 247,500 | Inspection personnel and control supervisors: Transportation to farms, ranches, and other premises in field and urban locations in carrying out plant and animal disease and pest control, including inspection and quarantine work. |
| Station wagon | | | | | | 3 | 500 | Do. |
| Meat inspection | | | | | | 5 | 27,500 | Inspection personnel: Transportation to slaughterhouses and meat packing plants in urban centers, including field station in District of Columbia, in carrying out provisions of laws relating to Federal inspection of meat and meat food products. |
| Working capital fund | | | | | | 5 | 1,000 | Superintendent, engineers, and other officials: Transportation in supervising and inspecting maintenance and operation of agricultural research center and for transporting officials and visiting agricultural leaders to and from various sections of the center. |
| Total, Agricultural Research Service | 170 | 257,700 | 165 | 74,250 | 183,450 | 944 | 310,000 | |
| SOIL CONSERVATION SERVICE | | | | | | | | |
| Conservation operations | 113 | 169,500 | 113 | 33,900 | 135,600 | 616 | 123,000 | State and area conservationists, technical specialists, and survey supervisors: Transportation in connection with supervision and inspection of service activities in conservation districts. |
| Station wagon | | | | | | 3 | 600 | Do. |
| Watershed protection | 8 | 12,000 | 8 | 2,300 | 9,700 | 22 | 4,300 | Project personnel: Transportation for investigation and planning of proposed small watershed projects; surveying and supervising the installation of work of improvement in authorized projects, and for negotiating with local sponsors of the projects; for investigating the agricultural phases of proposed river basin projects. |
| Station wagon | 4 | 7,300 | 4 | 1,600 | 5,700 | 34 | 6,600 | Do. |

Statement of proposed obligations for purchase and hire of passenger motor vehicles for the fiscal year 1961—Continued

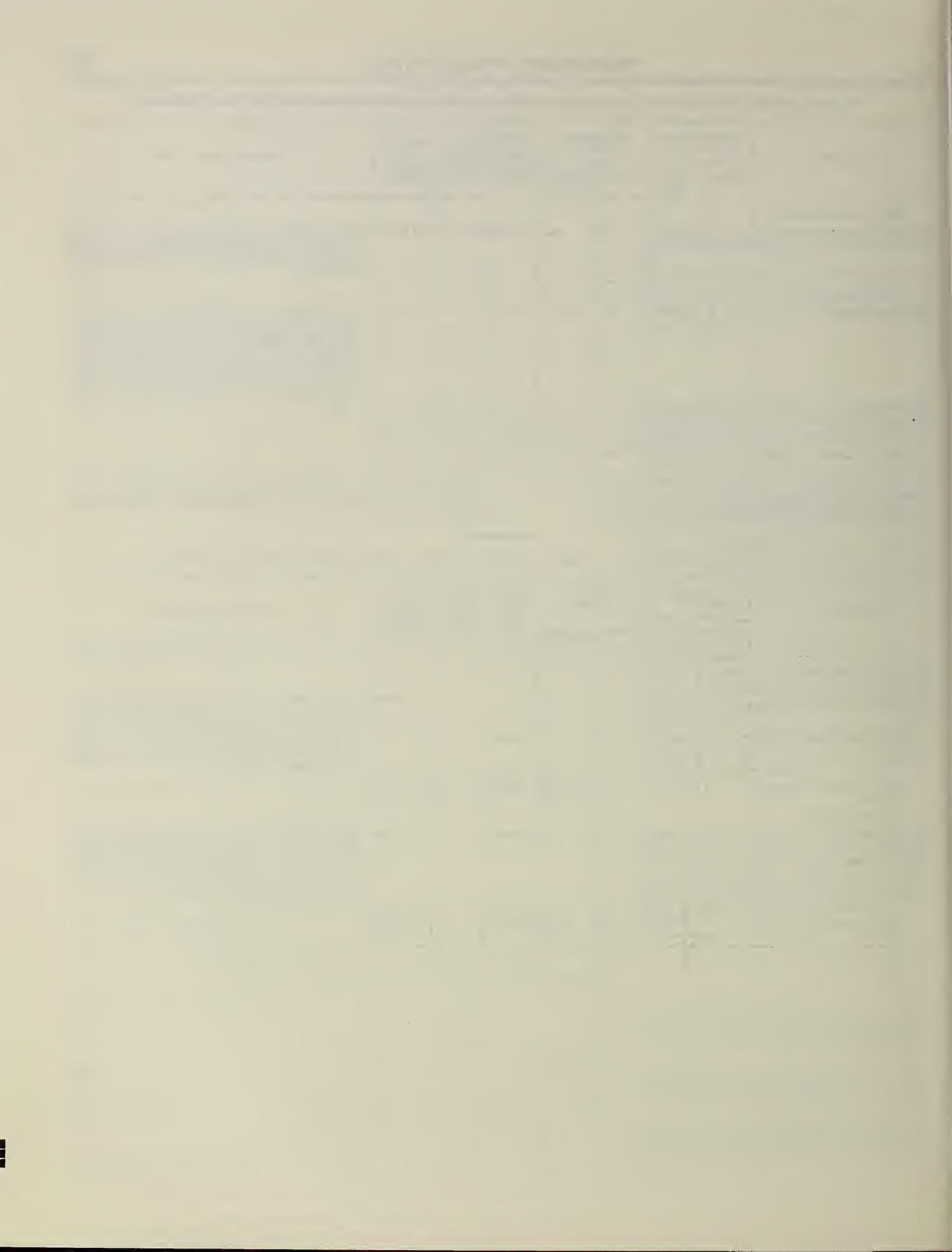
| Appropriation | Motor vehicles to be purchased | | Old vehicles to be exchanged | | Net cost of vehicles to be purchased | Old vehicles still to be used | Cost of hire of motor vehicles | Users and public purpose |
|---|--------------------------------|------------|------------------------------|----------------------|--------------------------------------|-------------------------------|--------------------------------|---|
| | Number | Gross cost | Number | Allowance (estimate) | | | | |
| SOIL CONSERVATION SERVICE—con. | | | | | | | | |
| Flood prevention..... | 5 | \$7,500 | 5 | \$1,500 | \$6,000 | 50 | \$9,500 | Project personnel: Transportation in connection with surveying and supervising the installation of works of improvement in authorized flood prevention projects. Do. |
| Station wagon..... | 1 | 1,800 | 1 | 400 | 1,400 | 5 | 1,000 | Project personnel: Transportation in connection with the development, operation, and management of the Eden Valley project. |
| Water conservation and utilization projects..... | | | | | | 1 | | |
| Great Plains conservation program..... | 1 | 1,500 | 1 | 300 | 1,200 | 9 | 2,000 | Assistant State conservationists: Transportation in connection with supervision and inspection of Service activities in the Great Plains conservation program in the field offices of the 10 Great Plains States. |
| Total, Soil Conservation Service..... | 132 | 199,600 | 132 | 40,000 | 159,600 | 740 | 147,000 | |
| AGRICULTURAL MARKETING SERVICE | | | | | | | | |
| Marketing research and service: Marketing research and agricultural estimates..... | 11 | 16,500 | 11 | 3,300 | 13,200 | 42 | 19,000 | Research and technical specialists: For use in supervising, directing and carrying out marketing research programs. Field statisticians: Transportation to and from important agricultural areas in the preparation of crop and livestock estimates. Research and technical specialists: For transportation of personnel, material, and commodity samples in carrying out marketing research programs. |
| Station wagon..... | | | | | | 3 | | |
| Marketing services..... | 14 | 21,000 | 14 | 4,200 | 16,800 | 62 | 95,000 | Market news reporters: For use in gathering and disseminating news of market conditions for various farm crops and livestock. Inspectors and graders: For inspection, classing, and grading of farm products, including work required under the Cotton, Tobacco, Naval Stores, and Grain Standards Acts. Marketing specialists, inspectors, and graders: Transportation to and from warehouses, stockyards, markets, railroad yards, piers, and other places for licensing or registration, supervision of operations of licensees to assure compliance, collection of samples for testing, handling of violations with respect to the administration of the U.S. Warehouse, Federal Seed, Packers, and Stockyards and Naval Stores Acts. |
| Station wagon..... | 3 | 5,850 | 3 | 900 | 4,950 | 6 | | Market news reporters and clerks: For transportation of personnel and material in conducting tobacco market news program. Cotton field representatives: For transportation of personnel and material in carrying out classing and market information programs. |
| Expenses and refunds, inspection and grading of farm products..... | 5 | 7,500 | 5 | 1,500 | 6,000 | 69 | 55,000 | Inspectors and graders: For use in inspecting and grading farm and food products—paid from funds advanced by producers for which services are performed. |
| Perishable Agricultural Commodities Act fund..... | | | | | | | 5,000 | Marketing specialists: Transportation to and from offices of produce dealers and truckers in investigating complaints and violations and checking establishments for compliance with license provisions under Perishable Agricultural Commodities and Produce Agency Act—paid from license fees collected. |
| School lunch program..... | | | | | | | 600 | Area supervisors and other officials: For use in supervision and review of school lunch program. |
| Removal of surplus agricultural commodities..... | | | | | | | 2,000 | Area supervisors and other officials: For transportation in connection with supervision and review of agricultural distribution program. |
| Special milk program..... | | | | | | | 700 | Area supervisors and other officials: For use in supervision and review of special milk program. |
| Total, Agricultural Marketing Service..... | 33 | 50,850 | 33 | 9,900 | 40,950 | 182 | 117,300 | |
| FOREIGN AGRICULTURAL SERVICE | | | | | | | | |
| Salaries and expenses..... | | | | | | | 950 | Administrator and other officials, for Foreign Agricultural Service: Transportation to and from official conferences and meetings in Washington, D.C., with Members of Congress, U.S. Government officials, and officials of international organizations and of foreign governments; trips to and from embassies of foreign governments for visaing of passports; transportation of foreign trainees. Messengers: Delivery of special or classified mail in the Washington area. |
| Station wagon..... | | | | | | | 575 | Do. |
| Technical cooperation, general, executive (transfer to Agriculture): Station wagon..... | | | | | | | 575 | Do. |
| Total, Foreign Agricultural Service..... | | | | | | | 2,100 | |
| COMMODITY STABILIZATION SERVICE | | | | | | | | |
| Administrative expenses, sec. 392, Agricultural Adjustment Act of 1938..... | | | | | | 2 | 675 | Insular office director and field representatives for travel within Puerto Rico and United States in connection with agricultural conservation, sugar, and other assigned duties. |
| COMMODITY CREDIT CORPORATION | | | | | | | | |
| Limitation on administrative expenses..... | | | | | | | 3,825 | Travel of field inspectors and commodity office employees in connection with Commodity Credit Corporation and various Commodity Stabilization Service programs. |
| FARMERS HOME ADMINISTRATION | | | | | | | | |
| Salaries and expenses..... | 6 | 9,000 | 6 | 1,500 | 7,500 | 20 | * 9,500 | State directors and other field officials: Transportation in assisting and advising county supervisors in the investigation of applications, making of loans, rendering farm management assistance to borrowers, and collecting and servicing loans under the various loan programs. |

Statement of proposed obligations for purchase and hire of passenger motor vehicles for the fiscal year 1961—Continued

| Appropriation | Motor vehicles to be purchased | | Old vehicles to be exchanged | | Net cost of vehicles to be purchased | Old vehicles still to be used | Cost of hire of motor vehicles | Users and public purpose |
|---|--------------------------------|------------|------------------------------|----------------------|--------------------------------------|-------------------------------|--------------------------------|--|
| | Number | Gross cost | Number | Allowance (estimate) | | | | |
| OFFICE OF THE SECRETARY Salaries and expenses..... | 1 | \$1,500 | 1 | \$400 | \$1,100 | | * \$1,500 | Secretary of Agriculture, Under Secretary, Assistant Secretaries, and members of their immediate staffs, as well as heads and other responsible officials of staff offices which comprise the Office of the Secretary: For transportation in District of Columbia. |
| FOREST SERVICE Working capital fund..... | 88 | 132,000 | 90 | 27,900 | 104,100 | 468 | * 452,000 | Forest rangers, forest supervisors, regional foresters and directors, and other field officers: For use in the protection, management, utilization, and development of national forests; and in the management of land utilization projects; transportation in connection with forest pest control activities in the field; for use at research center experimental forests and ranges on field research projects and forest survey; travel in connection with improving forest practices on private forest lands; used in directing and inspecting road construction and maintenance. Do. Do. |
| Station wagon..... Bus..... | 10 | 18,350 | 8 | 3,350 | 15,000 | 63 | | |
| Total, Forest Service..... | 98 | 150,350 | 98 | 31,250 | 119,100 | 535 | 452,000 | |
| Total, Department of Agriculture..... | * 440 | 669,000 | 435 | 157,300 | 511,700 | 2,423 | 1,103,900 | |

¹ Includes \$5,000 estimated for payments other than to motor pools.² Includes \$500 estimated for payments other than to motor pools.³ Includes \$110,000 estimated for payments other than to motor pools.⁴ Includes 5 vehicles to be purchased from funds advanced by producers for whom services are performed. (See item above for "Expenses and refunds, inspection and grading of farm products.")*Statement of proposed obligations for purchase, maintenance, and operation of aircraft for the fiscal year 1961*

| Appropriation | Aircraft to be purchased | | Aircraft to be exchanged | | Net cost of aircraft to be purchased | Old aircraft still to be used | Cost of maintenance and operation of aircraft | Users and public purpose |
|--|--------------------------|------------|--------------------------|----------------------|--------------------------------------|-------------------------------|---|--|
| | Number | Gross cost | Number | Allowance (estimate) | | | | |
| AGRICULTURAL RESEARCH SERVICE Salaries and expenses: Research..... | | | | | | 3 | \$9,000 | Technical employees: For experimentation and development of improved equipment and methods for spraying and dusting crops and for fertilizing, seeding, and performing other agricultural operations with airplanes. |
| Plant and animal disease and pest control..... | 2 | \$34,000 | 1 | \$4,000 | \$30,000 | 5 | 25,000 | Pest control technicians: For demonstrating use of special equipment for suppression of destructive insects attacking crops; and when not otherwise engaged, for supplementing contract aircraft in control operations. |
| Total, Agricultural Research Service..... | 2 | 34,000 | 1 | 4,000 | 30,000 | 8 | 34,000 | |
| FOREST SERVICE Working capital fund..... | 4 | 175,000 | 2 | 14,000 | 161,000 | 40 | 310,000 | Forest Service administrative personnel and firefighters: Transportation of men and supplies, including smokejumpers, to inaccessible areas for reconnaissance and suppression of large fires, and for detection services in remote areas. Also for pest control in locating incipient outbreaks of forest insect pests and in appraising the scope and seriousness of infestations in forested areas, and directing and evaluating effectiveness of control operations. |
| Total, Department of Agriculture..... | 6 | 200,000 | 3 | 18,000 | 191,000 | 48 | 344,000 | |



Object Classification

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|---------------|---------------|---------------|
| Total number of permanent positions..... | 5 | 4 | 3 |
| Full-time equivalent of all other positions..... | | 1 | 1 |
| Average number of all employees..... | 6 | 5 | 4 |
| Number of employees at end of year..... | 4 | 5 | 3 |
| Average GS grade and salary..... | 12.0 \$10,135 | 12.5 \$10,734 | 11.7 \$10,160 |
| 01 Personal services: | | | |
| Permanent positions..... | 46,760 | 39,745 | 30,480 |
| Positions other than permanent..... | 200 | 6,000 | 6,000 |
| Total personal services..... | 46,960 | 45,745 | 36,480 |
| 02 Travel..... | 1,417 | 2,500 | 3,500 |
| 04 Communication services..... | 757 | 1,500 | 1,500 |
| 07 Other contractual services..... | 2,718 | 3,000 | 4,000 |
| 08 Supplies and materials..... | 763 | 1,500 | 1,500 |
| 11 Grants, subsidies, and contributions..... | 3,028 | 3,105 | 2,870 |
| 15 Taxes and assessments..... | 5 | 150 | 150 |
| Total obligations..... | 55,648 | 57,500 | 50,000 |

MISCELLANEOUS

Intragovernmental funds:

CAREER EXECUTIVE BOARD

ADVANCES AND REIMBURSEMENTS

Program and Financing

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|-------------|---------------|---------------|
| Program by activities: | | | |
| Development of a civil service career executive program (total obligations)..... | \$19,492 | | |
| Financing: | | | |
| Advances and reimbursements from other accounts..... | 19,492 | | |

Object Classification

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|---------------|---------------|---------------|
| Total number of permanent positions..... | 3 | | |
| Average number of all employees..... | 2 | | |
| Number of employees at end of year..... | 4 | | |
| Average GS grade and salary..... | 13.3 \$11,912 | | |
| 01 Personal services: | | | |
| Permanent positions..... | \$15,213 | | |
| Positions other than permanent..... | 1,674 | | |
| Other personal services..... | 137 | | |
| Total personal services..... | 17,024 | | |
| 02 Travel..... | 1,254 | | |
| 04 Communication services..... | 46 | | |
| 07 Other contractual services..... | 62 | | |
| 11 Grants, subsidies, and contributions..... | 1,106 | | |
| Total obligations..... | 19,492 | | |

PRESIDENT'S COMMITTEE ON FUND RAISING WITHIN THE FEDERAL SERVICE

ADVANCES AND REIMBURSEMENTS

Program and Financing

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|-------------|---------------|---------------|
| Program by activities: | | | |
| President's Committee on Fund Raising Within the Federal Service (total obligations)..... | \$43,173 | \$54,000 | \$54,000 |
| Financing: | | | |
| Advances and reimbursements from other accounts..... | 45,000 | 54,000 | 54,000 |
| Unobligated balance no longer available..... | -1,827 | | |
| Total financing..... | 43,173 | 54,000 | 54,000 |

Executive Order 10728 established the President's Committee on Fund Raising Within the Federal Service to be responsible for the periodic review of the conduct and operation of the fund raising program.

Object Classification

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|---------------|---------------|---------------|
| Total number of permanent positions..... | 4 | 7 | 5 |
| Average number of all employees..... | 3 | 5 | 5 |
| Number of employees at end of year..... | 4 | 5 | 5 |
| Average GS grade and salary..... | 12.8 \$10,103 | 10.0 \$8,201 | 10.0 \$8,902 |
| 01 Personal services: | | | |
| Permanent positions..... | \$36,261 | \$45,120 | \$44,400 |
| Positions other than permanent..... | 257 | | |
| Other personal services..... | 159 | 350 | 175 |
| Total personal services..... | 36,677 | 45,470 | 44,575 |
| 02 Travel..... | 284 | 1,280 | 2,500 |
| 04 Communication services..... | 466 | 1,250 | 1,250 |
| 06 Printing and reproduction..... | 336 | | |
| 07 Other contractual services..... | 262 | 1,170 | 1,275 |
| 08 Supplies and materials..... | 1,340 | 370 | |
| 09 Equipment..... | 456 | 1,500 | 1,500 |
| 11 Grants, subsidies, and contributions..... | 2,368 | 2,960 | 2,900 |
| 15 Taxes and assessments..... | 6 | | |
| Total obligations..... | 43,173 | 54,000 | 54,000 |

GENERAL PROVISIONS

DEPARTMENTS, AGENCIES, AND CORPORATIONS

SEC. 201. Unless otherwise specifically provided, the maximum amount allowable during the current fiscal year, in accordance with section 16 of the Act of August 2, 1946 (5 U.S.C. 78), for the purchase of any passenger motor vehicle (exclusive of buses and ambulances), is hereby fixed at \$1,500 except station wagons for which the maximum shall be \$1,950.

SEC. 202. Unless otherwise specified and during the current fiscal year, no part of any appropriation contained in this or any other Act shall be used to pay the compensation of any officer or employee of the Government of the United States (including any agency the majority of the stock of which is owned by the Government of the United States) whose post of duty is in continental United States unless such person (1) is a citizen of the United States, (2) is a person in the service of the United States on the date of enactment of this Act who, being eligible for citizenship, had filed a declaration of intention to become a citizen of the United States prior to such date, (3) is a person who owes allegiance to the United States, or (4) is an alien from the Baltic countries lawfully admitted to the United States for permanent residence: *Provided*, That for the purpose of this section, an affidavit signed by any such person shall be considered *prima facie* evidence that the requirements of this section with respect to his status have been complied with: *Provided further*, That any person making a false affidavit shall be guilty of a felony and, upon conviction, shall be fined not more than \$4,000 or imprisoned for not more than one year, or both: *Provided further*, That the above penal clause shall be in addition to, and not in substitution for, any other provisions of existing law: *Provided further*, That any payment made to any officer or employee contrary to the provisions of this section shall be recoverable in action by the Federal Government. This section shall not apply to citizens of the Republic of the Philippines or to nationals of those countries allied with the United States in the current defense effort, or to temporary employment of translators, or to temporary employment in the field service (not to exceed sixty days) as a result of emergencies.

SEC. 203. Appropriations of the executive departments and independent establishments for the current fiscal year, available for expenses of travel or for the expenses of the activity concerned, are hereby made available for living quarters allowances in accordance with the Act of June 26, 1930 (5 U.S.C. 118a), and regulations prescribed thereunder, and cost-of-living allowances similar to those allowed under section 901(2) of the Foreign Service Act of 1946, in accordance with and to the extent prescribed by regulations of the President, for all civilian officers and employees of the Government permanently stationed in foreign countries: *Provided*, That the availability of appropriations made to the Department of State for carrying out the provisions of the Foreign Service Act of 1946 shall not be affected hereby.

SEC. 204. No part of any appropriation for the current fiscal year contained in this or any other Act shall be paid to any person for the filling of any position for which he or she has been nominated after the Senate has voted not to approve the nomination of said person.

SEC. 205. No part of any appropriation contained in this or any other Act for the current fiscal year shall be used to pay in excess of \$4 per volume for the current and future volumes of the United States Code Annotated, and such volumes shall be purchased on condition and with the understanding that latest published cumulative annual pocket parts issued prior to the date of purchase shall

GENERAL PROVISIONS—Continued**DEPARTMENTS, AGENCIES, AND CORPORATIONS—Continued**

be furnished free of charge, or in excess of \$4.25 per volume for the current or future volumes of the Lifetime Federal Digest.

SEC. 206. Funds made available by this or any other Act for administrative expenses in the current fiscal year of the corporations and agencies subject to the Government Corporation Control Act, as amended (31 U.S.C. 841), shall be available, in addition to objects for which such funds are otherwise available, for rent in the District of Columbia; services in accordance with section 15 of the Act of August 2, 1946 (5 U.S.C. 55a); and the objects specified under this head, all the provisions of which shall be applicable to the expenditure of such funds unless otherwise specified in the Act by which they are made available: *Provided*, That in the event any functions budgeted as administrative expenses are subsequently transferred to or paid from other funds, the limitations on administrative expenses shall be correspondingly reduced.

SEC. 207. No part of any funds of or available to any wholly owned Government corporation shall be used for the purchase or construction, or in making loans for the purchase or construction of any office building, without specific authority in law therefor, primarily for occupancy by any department or agency of the United States Government or by any corporation owned by the United States Government.

SEC. 208. Pursuant to section 1415 of the Act of July 15, 1952 (66 Stat. 662), foreign credits (including currencies) owed to or owned by the United States may be used by Federal agencies for any purpose for which appropriations are made for the current fiscal year (including the carrying out of Acts requiring or authorizing the use of such credits), only when reimbursement therefor is made to the Treasury from applicable appropriations of the agency con-

cerned: *Provided*, That such credits received as exchange allowances or proceeds of sales of personal property may be used in whole or part payment for acquisition of similar items, to the extent and in the manner authorized by law, without reimbursement to the Treasury: *Provided further*, That nothing in section 1415 of the Act of July 15, 1952, or in this section shall be construed to prevent the making of new or the carrying out of existing contracts, agreements, or executive agreements for periods in excess of one year, in any case where such contracts, agreements, or executive agreements for periods in excess of one year were permitted prior to the enactment of this Act under section 32(b)(2) of the Surplus Property Act of 1944, as amended (50 U.S.C. App. 1641(b)(2)), and the performance of all such contracts, agreements, or executive agreements shall be subject to the availability of appropriations for the purchase of credits as provided by law.

SEC. 209. No part of any appropriation contained in this Act, or of the funds available for expenditure by any individual, corporation, or agency included in this Act, shall be used for publicity or propaganda purposes designed to support or defeat legislation pending before Congress.

SEC. 210. (a) Section 1311(b) of the Supplemental Appropriation Act, 1955 (68 Stat. 830; 31 U.S.C. 200(b)), is amended to read as follows: "Hereafter, in connection with the submission of all requests for proposed appropriations to the Bureau of the Budget, the head of each Federal agency shall report that any statement of obligations furnished therewith consists of valid obligations as defined in subsection (a) hereof." **I**

II (b) Section 1(c) of the Act of July 25, 1956 (70 Stat. 648; 31 U.S.C. 701(c)), is amended by striking the words "reported pursuant to section 1311(b) of the Supplemental Appropriation Act, 1955 (68 Stat. 830; 31 U.S.C. 200(b))." **I** (General Government Matters Appropriation Act, 1960.)

Statement of proposed obligations for purchase and hire of passenger motor vehicles for the fiscal year 1961

| Appropriation | Motor vehicles to be purchased | | Old vehicles to be exchanged | | Net cost of vehicles to be purchased | Old vehicles still to be used | Cost of hire of motor vehicles | Users and public purpose |
|---|--------------------------------|------------|------------------------------|----------------------|--------------------------------------|-------------------------------|--------------------------------|--|
| | Number | Gross cost | Number | Allowance (estimate) | | | | |
| BUREAU OF THE BUDGET | | | | | | | | |
| Salaries and expenses----- | | | | | | | \$2,500 | For transportation of officials and staff of the Bureau of the Budget in the Washington area. |
| COUNCIL OF ECONOMIC ADVISERS | | | | | | | | |
| Salaries and expenses----- | | | | | | | 400 | For transportation of officials and staff members of the Council of Economic Advisers to departmental offices in Washington. |
| NATIONAL SECURITY COUNCIL | | | | | | | | |
| Salaries and expenses: Station wagon----- | 1 | \$1,950 | 1 | \$195 | \$1,755 | 1 | | For courier service. |
| OFFICE OF CIVIL AND DEFENSE MOBILIZATION | | | | | | | | |
| Salaries and expenses----- | | | | | | | 63,200 | In the transaction of official business of the Office, rented General Services Administration motor pool vehicles are assigned as follows: Director (Washington); deputy director (Washington); general needs of the Washington office; executive assistant director and emergency trips in Battle Creek, Mich.; general needs of the Battle Creek, Mich., office; classified location; Olney facility; OCDM Eastern Training Center; OCDM Western Training Center; a total of 25 vehicles will be assigned to the 8 regional offices for use of regional directors and staff. |
| Total, Executive Office of the President. | 1 | 1,950 | 1 | 195 | 1,755 | 1 | 66,100 | |

INTRODUCTION TO PART III

Part III of the budget contains a summary table on trust and deposit funds, and detailed schedules and explanatory statements on the various trust funds. It excludes the detail on trust fund programs which require annual action by Congress (shown in part II) and the detail on the District of Columbia municipal government funds (contained in a separate budget volume).

TRUST AND DEPOSIT FUNDS DISTINGUISHED

The funds which are covered in this part of the budget are of two types, as follows:

Trust funds are those funds established to account for receipts which are held in trust by the Government for use in carrying out specific purposes and programs in accordance with a trust agreement or a statute. Within the category of trust funds, there is a subcategory of *trust revolving* funds, which are trust funds used to carry on a cycle of business-type operations, including certain corporations which are partly owned by the Government and partly by private interests.

Deposit funds are those funds established to account for collections that are either (a) held in suspense temporarily and later refunded or paid into some other fund of the Government, or (b) held by the Government as banker or agent for others, being paid out in lump sums at the direction of the owner. Such funds are not available for paying salaries, expenses, grants, or other expenditures of the Government.

While the transactions in these groups of funds are a part of the financial program of the Government, trust and deposit funds are not fully owned by the Government; hence these transactions are excluded from budget totals.

TRUST FUND RECEIPTS AND EXPENDITURES

Receipts.—Like budget receipts, trust fund receipts are based upon collections received and deposited, including U.S. Government securities received in lieu of cash and contributions to the trust funds from the general fund. The conversion of U.S. Government securities on hand into cash is excluded from receipts, but such sales and redemptions are listed in special analysis F of part IV on a net basis.

Expenditures.—Like budget expenditures, trust fund expenditures are stated on a checks-issued basis, less refunds collected. Net investments in U.S. Government securities are excluded from the figures, and are listed in special analysis F of part IV.

Trust revolving funds.—The small group of funds which constitute trust revolving funds are reported on a *net expenditure* basis. The collections of trust revolving funds, instead of being taken into the tables as receipts, are deducted from expenditures. The gross figures are shown in a supplementary summary table and in the detailed schedules.

OBLIGATIONAL AUTHORITY FOR TRUST FUNDS

Trust fund receipts must be appropriated before they can be obligated or spent, with the exception of those few

cases where the law grants contract authorization in advance (for example, the highway trust fund).

Most trust funds are appropriated by permanent law, not requiring further action by Congress. Usually the appropriations equal the receipts of the year. In a few cases receipts of trust funds can be spent only in accordance with appropriations enacted by Congress from year to year. Examples are the highway trust fund, funds of the United States Soldiers' Home, and the municipal revenues of the District of Columbia (which are accounted for as trust funds by the Federal Government). In a few other cases, trust fund receipts are permanently appropriated for benefit payments, but limitations on administrative expenses payable out of the trust funds are imposed by annual action of the Congress.

DEPOSIT FUND EXPENDITURES

Table 10 includes deposit fund expenditures by department or agency. These expenditures are on a net basis; that is, the collections are deducted from checks issued, and the resulting figure is shown as an expenditure. Checks issued include those written to move money into other funds, as well as those written for refunds and the return of money to depositors. When the collections are larger than the checks issued, the amount shown as an expenditure is a negative item.

NET ACCUMULATION IN TRUST AND DEPOSIT FUNDS

Table 10 shows the net accumulation during each year in all the trust and deposit funds. This represents the result obtained when the trust and deposit fund expenditures are subtracted from the trust receipts of the year. Since trust and deposit funds, as well as Federal funds, affect the total cash balance of the Treasury and the total public debt, the final figures in table 10 are carried forward into table 4 of part I. Data on the unexpended balances of the largest trust funds are appended to the table.

DETAIL OF TRUST FUND ESTIMATES

The detailed material in part III covers the trust funds which do not require annual action by Congress. Consolidated schedules are used for the smaller trust funds of each bureau or independent agency.

The material here follows the general format of the similar material in part II, with the principal exception that these schedules show receipts in place of showing appropriations. In cases where the receipts are not permanently appropriated as the money is collected, the schedules identify the portion of the unobligated balances on hand which is appropriated and the portion which is unappropriated. Also, no appropriation language appears here, and the narrative statement of program and performance usually consists only of an explanation of the sources of money for the fund, the purposes for which it is authorized to be spent, and the legal citations.

TRUST FUNDS

In 1961, total receipts of the trust funds are estimated at \$22,547 million and expenditures at \$21,278 million, with a resulting net accumulation of \$1,269 million. In each of the major trust funds receipts are expected to exceed expenditures, with the single exception of the Federal National Mortgage Association secondary market operations.

The net accumulation estimated for 1961 compares with an estimated net excess of expenditures over receipts of \$813 million for 1960. This change in the total reflects mainly a shift in three trust funds, Federal old-age and survivors insurance, highway, and unemployment. In 1960 the disbursements of each of these trust funds are estimated to exceed receipts, while the reverse is true in 1961.

TOTAL TRUST FUND TRANSACTIONS

| | [In millions] | 1959 actual | 1960 estimate | 1961 estimate |
|-----------------------|---------------|-------------|---------------|---------------|
| Receipts..... | \$17,084 | \$20,696 | \$22,547 | |
| Expenditures..... | 18,597 | 21,510 | 21,278 | |
| Net accumulation..... | -1,513 | -813 | 1,269 | |

While trust fund transactions are excluded from the budget receipts and expenditures, they nevertheless are a significant part of the program of the Government. For some functions—labor and welfare or commerce and housing—trust fund expenditures represent a larger part of the Government's program than do budget expenditures. Table 5 of part I of this budget shows budget expenditures, trust expenditures, and total Federal payments to the public for 1961.

At the end of this statement is a table showing actual trust and deposit fund expenditures by major function for 10 years, 1950 through 1959, and the estimates for 1960 and 1961.

While there are many separate trust and deposit funds, the bulk of the transactions and the largest amounts of money are in the following trust funds:

TRANSACTIONS OF MAJOR TRUST FUNDS

| | [In millions] | 1959 actual | 1960 estimate | 1961 estimate |
|---|---------------|-------------|---------------|---------------|
| Federal old-age and survivors insurance: | | | | |
| Receipts..... | \$8,182 | \$10,178 | \$11,721 | |
| Expenditures..... | 9,454 | 11,196 | 11,652 | |
| Balance in fund at end of year..... | 21,541 | 20,524 | 20,592 | |
| Federal disability insurance: | | | | |
| Receipts..... | 938 | 1,063 | 1,098 | |
| Expenditures..... | 371 | 563 | 624 | |
| Balance in fund at end of year..... | 1,667 | 2,167 | 2,641 | |
| Railroad retirement: | | | | |
| Receipts..... | 758 | 1,308 | 1,059 | |
| Expenditures..... | 778 | 1,063 | 982 | |
| Balance in fund at end of year..... | 3,649 | 3,894 | 3,971 | |
| Federal employees retirement funds (civil service and foreign service): | | | | |
| Receipts..... | 1,741 | 1,707 | 1,770 | |
| Expenditures..... | 792 | 884 | 986 | |
| Balance in funds at end of year..... | 9,243 | 10,066 | 10,850 | |
| Unemployment trust fund: | | | | |
| Receipts..... | 1,997 | 2,300 | 2,284 | |
| Expenditures..... | 3,054 | 2,334 | 1,973 | |
| Balance in fund at end of year..... | 6,716 | 6,632 | 6,943 | |
| Veterans life insurance funds: | | | | |
| Receipts..... | 698 | 718 | 739 | |
| Expenditures..... | 642 | 658 | 652 | |
| Balance in funds at end of year..... | 6,885 | 6,944 | 7,032 | |
| Highway trust fund: | | | | |
| Receipts..... | 2,185 | 2,628 | 2,950 | |
| Expenditures..... | 2,709 | 3,143 | 2,854 | |
| Balance in fund at end of year..... | 524 | 9 | 105 | |
| Federal National Mortgage Association: | | | | |
| Gross receipts..... | 509 | 1,152 | 1,186 | |
| Gross expenditures..... | 643 | 2,133 | 1,936 | |
| Net trust expenditures..... | 134 | 950 | 800 | |

Social security insurance and staff retirement programs for retirement, disability, or death.—The first four major trust funds listed provide insurance against the loss of income due to retirement, disability, or death. Payments are made primarily from moneys derived from payroll contributions of employers, employees, and the self-employed. The portion of these receipts not immediately needed for benefit outlays is invested in securities of the Federal Government and earns interest. The first two trust funds are authorized by the Social Security Act of 1935, as amended, and comprise the Federal old-age, survivors, and disability insurance (OASDI) program. An increase in the employer and employee payroll tax rates from 2½% to 3%, which became effective on January 1, 1960, will enable the Federal old-age and survivors insurance trust fund to resume building up reserves.

The railroad retirement system, also established in 1935, is closely coordinated with old-age, survivors, and disability insurance, and serves as a combined social insurance and staff retirement system for workers in the railroad industry. In May 1959 legislation was enacted increasing benefits under the railroad retirement system by approximately 10%. The legislation also provided for an increase in the employer and employee payroll tax rates from 6½% to 6¾%; this increase will largely eliminate the actuarial deficit under which the system has been operating. Receipts of the Railroad retirement account are abnormally high in 1960 because of a double financial interchange payment from the Federal old-age and survivors insurance trust fund, for both 1959 and 1960.

With the exception of some temporary employees covered under old-age, survivors, and disability insurance or special retirement systems, Federal civilian workers are covered under either the Civil Service Retirement Act or the Foreign Service Retirement Act. Beginning in 1957, Armed Forces personnel have been covered under old-age, survivors, and disability insurance on a contributory basis, as well as under the military retirement system which is financed directly from appropriations from budget funds.

The following table indicates the number of individuals receiving monthly benefits from the trust funds at the end of each year:

| | [In thousands] | Federal old-age and survivors insurance | Federal disability insurance | Railroad retirement account | Civil service and foreign service |
|--|----------------|---|------------------------------|-----------------------------|-----------------------------------|
| Retired individuals: ¹ | | | | | |
| 1959 actual..... | 9,404 | | | 405 | 246 |
| 1960 estimate..... | 9,957 | | | 449 | 273 |
| 1961 estimate..... | 10,459 | | | 465 | 303 |
| Disabled individuals and their dependents: | | | | | |
| 1959 actual..... | 64 | 361 | 95 | 93 | |
| 1960 estimate..... | 92 | 493 | 96 | 100 | |
| 1961 estimate..... | 118 | 592 | 97 | 110 | |
| Survivors: ² | | | | | |
| 1959 actual..... | 3,352 | | | 245 | 137 |
| 1960 estimate..... | 3,611 | | | 255 | 153 |
| 1961 estimate..... | 3,862 | | | 265 | 170 |

¹ Includes wives under age 65 with children in their care under old-age and survivors insurance.

² Includes children of retired workers under old-age and survivors insurance.

Unemployment trust fund.—Unemployment insurance was also authorized by the Social Security Act of 1935, as amended. Payroll taxes paid by employers under State laws and the Federal Unemployment Tax Act or under the Railroad Unemployment Act are deposited in the unemployment trust fund. The States and the Railroad

Retirement Board draw upon this fund to pay weekly benefits to eligible unemployed workers. Commencing in 1959, the Railroad Retirement Board is also drawing upon the Unemployment trust fund for its unemployment insurance administrative expenses and the portion of the taxes earmarked for this purpose is being deposited in the fund. Prior to 1959, a separate trust fund was maintained for this purpose.

Benefits paid by the States and the Railroad Retirement Board are expected to be at a lower level in 1961 than in 1960. In 1960, benefit payments were increased as a result of the secondary effects of the steel strike.

At present, under the Federal Unemployment Tax Act an employment tax of 0.3% is used chiefly for grants to States for administering unemployment compensation benefits as well as employment services. The receipts from this tax and the expenditures for the grants are included in budget funds. Legislation has been proposed to convert these transactions entirely to a trust fund operation, so that the administration of the regular State unemployment compensation program will be financed similarly to the old-age, survivors, and disability insurance and the railroad retirement and railroad unemployment compensation programs. This proposed change would affect both budget receipts and expenditures equally. This trust fund also includes the Federal unemployment account from which loans can be made to State reserve funds under specified conditions, but does not include the temporary unemployment compensation program which expired June 30, 1959; benefits under this program were financed from the general fund.

Veterans life insurance.—The National service life insurance fund and the United States Government life insurance fund, operated largely on a commercial basis, provide life insurance held primarily by veterans of the two World Wars. Receipts comprise premiums, interest on investments, and transfers from Federal Government budget funds to cover losses resulting from war hazards. Expenditures include payments of dividends, of death and disability claims, and of equities in policies in force. In 1961, an estimated \$256 million in dividend payments will be made on 5.5 million policies in force, and \$467 million will be paid for death and disability claims and for cash surrenders and matured endowments.

The foregoing does not include reference to two additional insurance funds, the Service-disabled veterans insurance fund and the Veterans special term insurance fund, which are classified as public enterprise rather than trust funds.

Highway trust fund.—Receipts from certain excise taxes on motor fuels, tires, and trucks are used to finance expenditures (primarily grants to the States) for Federal-aid highways.

The Highway Act of 1959 increased motor fuel taxes deposited in the trust fund by 1 cent per gallon, to 4 cents per gallon, for the period October 1, 1959, through June 30, 1961. In addition, effective July 1, 1961, and extending through June 30, 1964, half of the present excise tax on passenger automobiles and five-eighths of the present excise tax on parts and accessories are scheduled for diversion from the general fund to the trust fund. The additional 1 cent tax is estimated to yield approximately \$590 million in 1961; the diversion would yield about \$850 million on a full-year basis.

In order to permit highway construction for the Interstate System to proceed at a higher level, the budget message recommends a further increase of one-half cent per gallon in the highway fuel tax until at least June 30, 1964. Repeal of the provisions diverting excise taxes from the general fund is also requested.

Federal National Mortgage Association secondary market operations.—In the secondary market part of its operations, the Association buys and sells federally insured or guaranteed mortgages at prices prevailing in the market. These operations are self-supporting in accordance with statutory objectives. Funds required for mortgage purchases in 1961 will be obtained: (a) from private sources through the sale of the Association's debentures; (b) through mortgage sales and repayments; (c) through the purchases of common stock which are required of all mortgage sellers; and (d) by purchases of preferred stock by the Treasury in accordance with the statutory requirement that the Association maintain a minimum ratio of capital to debt of 1 to 10. Net trust expenditures, which are estimated to increase substantially to \$980 million in 1960 reflecting increased mortgage purchase activity, are expected to decline in 1961 to \$800 million.

TRUST AND DEPOSIT FUND EXPENDITURES BY MAJOR FUNCTION

ACTUAL THROUGH 1959

[In millions]

| | 1950 | 1951 | 1952 | 1953 | 1954 | 1955 | 1956 | 1957 | 1958 | 1959 | 1960 | 1961 |
|--|-------|-------|-------|-------|-------|-------|-------|--------|--------|--------|--------|--------|
| Major national security | \$51 | \$34 | \$144 | \$126 | \$146 | \$164 | \$143 | \$93 | \$344 | \$229 | \$293 | \$333 |
| International affairs and finance | 46 | -6 | 97 | 9 | 3 | 7 | 4 | 5 | 15 | 12 | 16 | 14 |
| Veterans services and benefits | 3,125 | 695 | 1,095 | 669 | 779 | 628 | 606 | 608 | 671 | 651 | 667 | 664 |
| Labor and welfare | 3,370 | 3,058 | 3,816 | 4,594 | 6,079 | 7,476 | 8,067 | 9,647 | 12,554 | 14,392 | 16,049 | 16,159 |
| Agriculture and agricultural resources | 24 | 12 | 17 | 22 | 11 | 22 | 29 | 148 | 244 | 83 | 19 | 18 |
| Natural resources | 20 | 15 | 15 | 15 | 15 | 16 | 20 | 23 | 33 | 32 | 35 | 36 |
| Commerce and housing | -6 | -23 | -3 | 1 | (*) | -86 | 118 | 1,934 | 1,713 | 2,842 | 4,151 | 3,723 |
| General government | 188 | 222 | 208 | 228 | 286 | 258 | 216 | 268 | 293 | 360 | 412 | 443 |
| Interest | (*) | (*) | (*) | (*) | (*) | (*) | (*) | (*) | (*) | (*) | (*) | (*) |
| Adjustment to daily Treasury statement basis | 68 | 190 | 88 | 95 | | | | | | | | |
| Deposit funds, net ¹ | 77 | -544 | -160 | -471 | -115 | 57 | 229 | 225 | -97 | -8 | -135 | -111 |
| Total | 6,964 | 3,654 | 5,317 | 5,288 | 7,204 | 8,546 | 9,436 | 12,961 | 16,069 | 18,597 | 21,510 | 21,278 |

¹ Excludes deposit funds of Government-sponsored enterprises. These have been adjusted for consistency with present treatment and allocated to the appropriate function above.

*Less than one-half million.

TABLE 10
TRUST RECEIPTS AND EXPENDITURES
BY ORGANIZATION UNIT AND ACCOUNT TITLE
[In thousands]

| Organization unit and account title | Functional code | RECEIPTS | | | EXPENDITURES | | |
|---|-----------------|-------------|---------------|---------------|--------------|---------------|---------------|
| | | 1959 actual | 1960 estimate | 1961 estimate | 1959 actual | 1960 estimate | 1961 estimate |
| Legislative branch: | | | | | | | |
| Library of Congress: | | | | | | | |
| Gift and trust fund income accounts: | | | | | | | |
| Cataloging project, Copyright Office..... | 500 | \$8 | \$1 | ----- | \$6 | \$8 | ----- |
| Gift fund..... | 200 | 827 | 400 | \$300 | 669 | 528 | \$383 |
| Income from investment account..... | 200 | 21 | 15 | 15 | 26 | 19 | 19 |
| Payment of interest on bequest of Gertrude M. Hubbard..... | 650 | 1 | 1 | 1 | 1 | 2 | 2 |
| Payment of interest on permanent loan..... | 650 | 171 | 178 | 179 | 123 | 195 | 205 |
| Service fees..... | 200 | 566 | 570 | 580 | 545 | 585 | 595 |
| Principal accounts, permanent loans..... | 200 | 687 | ----- | ----- | ----- | ----- | ----- |
| Total, legislative branch..... | | 2,280 | 1,165 | 1,075 | 1,371 | 1,337 | 1,204 |
| The judiciary: | | | | | | | |
| Judicial survivors annuity fund..... | 600 | 486 | 537 | 551 | 332 | 352 | 380 |
| Funds appropriated to the President: | | | | | | | |
| Mutual security: | | | | | | | |
| Advances, Mutual Security Act..... | 060 | 243,530 | 285,000 | 350,000 | 218,695 | 286,000 | 328,000 |
| Advances for economic assistance..... | 150 | ----- | ----- | ----- | ----- | 2 | ----- |
| Philippine assistance..... | 150 | ----- | ----- | ----- | 539 | 182 | 1 |
| Technical assistance, United States dollars advanced from foreign governments..... | 150 | 346 | 350 | 350 | 1,049 | 1,100 | 630 |
| President's special international program, contributions..... | 150 | 401 | 211 | ----- | 912 | 324 | ----- |
| Total, funds appropriated to the President..... | | 244,278 | 285,561 | 350,350 | 221,195 | 287,608 | 328,631 |
| Independent offices: | | | | | | | |
| American Battle Monuments Commission: Contributed flower fund..... | 100 | 2 | 2 | 2 | 2 | 2 | 2 |
| Civil Service Commission: | | | | | | | |
| Civil service retirement and disability fund: | | | | | | | |
| Deductions from employees' salaries, etc..... | 200 | 748,677 | 721,760 | 721,760 | ----- | ----- | ----- |
| Federal contribution..... | 200 | ----- | ----- | 46,329 | ----- | ----- | ----- |
| Interest and profits on investments..... | 200 | 219,749 | 245,000 | 261,209 | 788,603 | 880,740 | 983,049 |
| Payments from other funds: Employing agency contributions..... | 200 | 754,129 | 721,760 | 721,760 | ----- | ----- | ----- |
| Voluntary contributions, donations, service credit payments, etc..... | 200 | 13,046 | 13,000 | 13,000 | ----- | ----- | ----- |
| Total, Civil service retirement and disability fund..... | | 1,735,602 | 1,701,520 | 1,764,058 | 788,603 | 880,740 | 983,049 |
| Employees health benefits fund..... | 200 | ----- | ----- | ----- | ----- | -50 | -18,255 |
| Employees life insurance fund..... | 200 | ----- | ----- | ----- | -58,378 | -43,339 | -43,000 |
| Total, Civil Service Commission..... | | 1,735,602 | 1,701,520 | 1,764,058 | 730,225 | 837,351 | 921,793 |
| Farm Credit Administration: Operating fund, Federal intermediate credit banks..... | 350 | ----- | ----- | 55,359 | ----- | ----- | ----- |
| Federal Aviation Agency: | | | | | | | |
| Expenses of foreign students..... | 500 | 6 | 12 | ----- | 4 | 14 | ----- |
| Gifts and donations..... | 500 | 333 | 8 | ----- | 267 | 270 | 80 |
| Total, Federal Aviation Agency..... | | 339 | 20 | ----- | 271 | 284 | 80 |
| Federal Communications Commission: International telecommunication settlements..... | 500 | ----- | ----- | ----- | -27 | 15 | ----- |
| Foreign Claims Settlement Commission: War claims fund..... | 600 | 3,750 | ----- | ----- | 3,412 | 89 | 61 |
| General Accounting Office: Proceeds from estates of American citizens who die abroad..... | 600 | ----- | ----- | ----- | ----- | 1 | 1 |
| National Capital Housing Authority: Operation and maintenance, properties aided by Public Housing Administration..... | 500 | ----- | ----- | ----- | -3,310 | 3,030 | 100 |
| National Capital Planning Commission: Contributed fund..... | 600 | 108 | 400 | 250 | 126 | 632 | 250 |
| National Science Foundation: Donations..... | 200 | 2 | 3 | 3 | 1 | ----- | ----- |
| Railroad Retirement Board: | | | | | | | |
| Railroad retirement account: | | | | | | | |
| Financial interchange with Federal old-age and survivors insurance trust fund..... | 200 | 124,441 | 566,548 | 277,500 | ----- | ----- | ----- |
| Interest and profit on investments..... | 200 | 108,629 | 110,308 | 114,200 | ----- | ----- | ----- |
| Interest on loans to Railroad unemployment insurance account..... | 200 | ----- | 1,000 | 2,300 | 777,588 | 1,062,880 | 982,000 |
| Railroad retirement taxes..... | 200 | 525,220 | 630,000 | 660,000 | ----- | ----- | ----- |
| Repayment of loan from Railroad unemployment insurance account..... | 200 | ----- | ----- | 5,000 | ----- | ----- | ----- |
| Limitation on Railroad unemployment insurance administration fund..... | | (8,464) | (9,555) | (8,747) | ----- | ----- | ----- |
| Total, Railroad Retirement Board..... | | 758,290 | 1,307,856 | 1,059,000 | 777,588 | 1,062,880 | 982,000 |
| Smithsonian Institution: Canal Zone biological area fund..... | 200 | 19 | 14 | 14 | 11 | 22 | 18 |
| United States Information Agency: United States dollars advanced from foreign governments..... | 150 | 7 | 10 | 10 | 51 | 17 | 10 |

TABLE 10—Continued
TRUST RECEIPTS AND EXPENDITURES—Continued
BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

| Organization unit and account title | Functional code | RECEIPTS | | | EXPENDITURES | | |
|---|-----------------|-------------|---------------|---------------|--------------|---------------|---------------|
| | | 1959 actual | 1960 estimate | 1961 estimate | 1959 actual | 1960 estimate | 1961 estimate |
| Independent offices—Continued | | | | | | | |
| Veterans Administration: | | | | | | | |
| Adjusted-service certificate fund..... | 100 | | | | \$825 | \$235 | \$235 |
| General post fund, national homes..... | 100 | \$1,607 | \$1,598 | \$1,595 | 2,496 | 1,890 | 1,625 |
| National service life insurance fund: | | | | | | | |
| Interest on investments..... | 100 | | | | | | |
| Payments from general and special funds..... | 100 | 634,314 | 660,146 | 682,760 | 562,052 | 581,912 | 579,900 |
| Premium and other receipts..... | 100 | | | | | | |
| United States Government life insurance fund: | | | | | | | |
| Interest on investments..... | 100 | 63,352 | 57,828 | 56,631 | 79,582 | 76,283 | 71,846 |
| Premiums and other receipts..... | 100 | | | | | | |
| Total, Veterans Administration..... | | 699,273 | 719,572 | 740,986 | 644,954 | 660,320 | 653,606 |
| Total, independent offices..... | | 3,197,391 | 3,729,397 | 3,564,323 | 2,208,663 | 2,564,643 | 2,557,921 |
| General Services Administration: | | | | | | | |
| Real property activities: Advances for construction services..... | 600 | | 600 | 9,375 | | 200 | 2,000 |
| Personal property activities: Advances from international organizations, Mutual Security Act..... | 150 | | | | 85 | | |
| Records activities: | | | | | | | |
| National Archives gift fund..... | 600 | 67 | 65 | 65 | 57 | 86 | 87 |
| National Archives trust fund..... | 600 | | | | -5 | -4 | -4 |
| Total, General Services Administration..... | | 67 | 665 | 9,440 | 136 | 282 | 2,083 |
| Housing and Home Finance Agency: | | | | | | | |
| Federal National Mortgage Association: Secondary market operations fund..... | 500 | | | | 134,018 | 980,373 | 800,000 |
| Department of Agriculture: | | | | | | | |
| Agricultural Research Service: | | | | | | | |
| Expenses and refunds, inspection and grading of farm products..... | 350 | 405 | 245 | 245 | 400 | 245 | 245 |
| Expenses, feed and attendants for animals in quarantine..... | 350 | 37 | 20 | 30 | 23 | 28 | 30 |
| Miscellaneous contributed funds..... | 350 | 296 | 468 | 342 | 276 | 530 | 350 |
| Extension Service: Miscellaneous contributed funds..... | 350 | 7 | 7 | 7 | 5 | 7 | 7 |
| Soil Conservation Service: | | | | | | | |
| Technical services and other assistance, agricultural conservation program..... | 350 | 863 | | | 4,300 | | |
| Miscellaneous contributed funds..... | 350 | 246 | 211 | 300 | 261 | 290 | 300 |
| Agricultural Marketing Service: | | | | | | | |
| Expenses and refunds, inspection and grading of farm products..... | 350 | 17,289 | 17,414 | 17,703 | 16,940 | 17,465 | 17,913 |
| Miscellaneous contributed funds..... | 350 | 91 | 50 | 32 | 100 | 70 | 32 |
| Foreign Agricultural Service: Miscellaneous contributed funds..... | 350 | 4 | 4 | | 3 | 5 | |
| Commodity Stabilization Service: Miscellaneous contributed funds..... | 350 | 34 | 16 | 9 | 55 | 41 | 16 |
| Farmers Home Administration: State rural rehabilitation funds..... | 350 | | | | 4,982 | 588 | -1,151 |
| Office of Information: Miscellaneous contributed funds..... | 350 | | 21 | | 2 | 21 | |
| Forest Service: | | | | | | | |
| Cooperative work..... | 400 | 17,407 | 18,500 | 19,000 | 15,682 | 17,950 | 18,000 |
| Technical services and other assistance, agricultural conservation program..... | 400 | | | | 9 | | |
| Miscellaneous contributed funds..... | 400 | | | | 10 | 8 | 2 |
| Total, Department of Agriculture..... | | 36,678 | 36,956 | 37,668 | 43,049 | 37,248 | 35,744 |
| Department of Commerce: | | | | | | | |
| Bureau of Census: Special statistical work..... | 200 | 1,369 | 1,264 | 1,500 | 1,561 | 1,480 | 1,490 |
| Business and Defense Services Administration: | | | | | | | |
| Expenses, transcripts of studies, tables, and other records..... | 500 | 420 | 452 | 452 | 266 | 452 | 452 |
| Special statistical work..... | 500 | 13 | 10 | 10 | 11 | 10 | 10 |
| Maritime activities: | | | | | | | |
| Federal ship mortgage insurance escrow fund..... | 500 | | 68,289 | 81,415 | | 7,191 | 42,607 |
| United States Merchant Marine Academy, Kings Point, N.Y., donations for chapel and library..... | 500 | 59 | 32 | 5 | 49 | 669 | 5 |
| Bureau of Public Roads: | | | | | | | |
| Highway trust fund: | | | | | | | |
| Federal-aid highways..... | 500 | | | | 2,612,576 | 3,028,000 | 2,689,000 |
| Interest..... | 500 | 13,584 | 1,000 | | | | |
| Taxes..... | 500 | 2,171,016 | 2,627,000 | 2,984,000 | | | |
| Refunds and interest on general fund advance..... | 500 | | | | 96,900 | 115,000 | 133,000 |
| Proposed legislation: | | | | | | | |
| Forest and public lands highways..... | 500 | | | | | | 39,000 |
| Other, net..... | 500 | | | -34,000 | | | -7,000 |
| Advances from Alaska, public roads..... | 500 | | 15,000 | 25,000 | | 15,166 | 25,000 |
| Contributed funds, highways for Alaska..... | 500 | 1,463 | | | 1,500 | | |
| Contributions for highway research program..... | 500 | 10 | | | 4 | 6 | |

TABLE 10—Continued
TRUST RECEIPTS AND EXPENDITURES—Continued
BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

| Organization unit and account title | Functional code | RECEIPTS | | | EXPENDITURES | | |
|---|-----------------|-------------|---------------|---------------|--------------|---------------|---------------|
| | | 1959 actual | 1960 estimate | 1961 estimate | 1959 actual | 1960 estimate | 1961 estimate |
| Department of Commerce—Continued | | | | | | | |
| Bureau of Public Roads—Continued | | | | | | | |
| Cooperative work, forest highways | 500 | \$502 | \$300 | \$200 | \$78 | \$733 | \$300 |
| Equipment, supplies, etc., for cooperating countries | 150 | 4,985 | 5,000 | 5,000 | 5,761 | 5,538 | 5,100 |
| Funds contributed for improvement of roads, bridges, and trails, Alaska | 500 | 95 | | | 47 | 48 | |
| Technical assistance, United States dollars advanced from foreign governments | 150 | 5,617 | 4,500 | 3,500 | 2,411 | 5,365 | 5,800 |
| National Bureau of Standards: Gifts and bequests | 200 | 96 | 75 | 50 | 152 | 90 | 86 |
| Weather Bureau: Special statistical work | 600 | 64 | 50 | 50 | 63 | 52 | 50 |
| Total, Department of Commerce | | 2,199,293 | 2,722,972 | 3,067,182 | 2,721,390 | 3,179,803 | 2,934,900 |
| Department of Defense—Military: | | | | | | | |
| Advances for supplies and expenses, United Nations Korean Reconstruction Agency, Army | 060 | | | | 15 | 4 | |
| General gift fund, Army | 060 | 8 | 6 | 6 | 26 | 10 | 8 |
| Kermit Roosevelt fund, Army | 060 | 1 | 1 | 1 | 2 | 3 | 3 |
| National Guard armory construction, State-contributed funds, Army | 060 | | | | | 2 | |
| Transportation, international refugee organization, Army | 060 | 3 | | | | | |
| General gift fund, Navy | 060 | -1 | 10 | 10 | 1 | 10 | 10 |
| Naval reservation, Olongapo civile fund | 060 | 839 | 371 | | 811 | 420 | |
| Office of Naval Records and library fund | 060 | 17 | 14 | 14 | | | |
| Ships' stores profits, Navy | 060 | 10,415 | 7,000 | 5,000 | 9,775 | 7,000 | 5,000 |
| United States Naval Academy general gift fund | 060 | 5 | 3 | 3 | 2 | 2 | 2 |
| United States Naval Academy museum fund | 060 | 1 | 1 | 1 | | 1 | 1 |
| General gift fund, Air Force | 060 | 51 | 8 | 1 | 17 | 12 | 10 |
| Total, Department of Defense—Military | | 11,339 | 7,414 | 5,036 | 10,649 | 7,464 | 5,034 |
| Department of Defense—Civil: | | | | | | | |
| Rivers and harbors and flood control, Department of the Army: | | | | | | | |
| Rivers and harbors advance fund | 400 | 32 | | | 338 | 32 | |
| Rivers and harbors contributed fund | 400 | 12,244 | 7,800 | 10,332 | 13,265 | 12,000 | 11,000 |
| Advances and reimbursements | 400 | | | | 1 | 1 | |
| United States Soldiers' Home: | | | | | | | |
| Limitation on operation and maintenance and capital outlay | 100 | | | | 6,396 | 7,065 | 10,661 |
| Soldiers' Home permanent fund | 100 | 11,512 | 10,543 | 9,343 | | | |
| Payment of claims | 100 | | | | 21 | 21 | 21 |
| Soldiers' Home revolving fund | 100 | | | | -10 | 4 | -5 |
| Total, Department of Defense—Civil | | 23,788 | 18,343 | 19,675 | 20,011 | 19,123 | 21,677 |
| Department of Health, Education, and Welfare: | | | | | | | |
| Freedmen's Hospital: | | | | | | | |
| Conditional gift fund | 200 | 1 | | | 1 | 2 | |
| Unconditional gift fund | 200 | | | | | 7 | |
| Public Health Service: | | | | | | | |
| Patients' benefit fund | 200 | 37 | 25 | 25 | 32 | 25 | 25 |
| Conditional gift fund | 200 | 88 | 43 | 14 | 58 | 90 | 30 |
| Unconditional gift fund | 200 | 27 | 23 | 17 | 2 | 18 | 5 |
| Saint Elizabeths Hospital: | | | | | | | |
| Patients' benefit fund | 200 | 1 | | | 1 | 1 | 1 |
| Conditional gift fund | 200 | 9 | 9 | 10 | 1 | 9 | 9 |
| Total, Department of Health, Education, and Welfare | | 164 | 100 | 66 | 95 | 152 | 70 |
| Department of the Interior: | | | | | | | |
| Bonneville Power Administration: Construction of electric transmission lines and substations, contributions, Bonneville power project | 400 | 869 | 319 | | 352 | 765 | 750 |
| Bureau of Land Management: | | | | | | | |
| Contributed funds | 400 | 712 | 700 | 700 | 561 | 622 | 658 |
| Expenses, public survey work | 400 | 48 | 50 | 50 | 44 | 35 | 43 |
| Trustee funds, Alaska townsites | 400 | 17 | 25 | 25 | 30 | 35 | 38 |
| Bureau of Indian Affairs: | | | | | | | |
| Indian moneys, proceeds of labor, agencies, schools, etc. | 600 | 3,937 | 3,000 | 3,000 | 4,082 | 3,050 | 3,000 |
| Indian tribal funds | 600 | 97,423 | 70,180 | 115,180 | 57,493 | 70,000 | 110,000 |
| Bureau of Reclamation: Reclamation trust funds | 400 | 385 | 445 | 275 | 606 | 506 | 300 |
| Geological Survey: Advances, authorized services | 400 | 1,594 | 1,500 | 1,500 | 1,438 | 1,500 | 1,500 |
| Bureau of Mines: Contributed funds | 400 | 933 | 980 | 870 | 761 | 920 | 900 |

TABLE 10—Continued
TRUST RECEIPTS AND EXPENDITURES—Continued
BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued
[In thousands]

| Organization unit and account title | Func-tional code | RECEIPTS | | | EXPENDITURES | | |
|--|------------------|-------------|---------------|---------------|--------------|---------------|---------------|
| | | 1959 actual | 1960 estimate | 1961 estimate | 1959 actual | 1960 estimate | 1961 estimate |
| Department of the Interior—Continued | | | | | | | |
| National Park Service: | | | | | | | |
| Donations..... | 400 | \$1,215 | \$650 | \$400 | \$360 | \$1,700 | \$750 |
| Jefferson National Expansion Memorial, contribution..... | 400 | 880 | 500 | 237 | 1 | 1,000 | 500 |
| National park trust fund..... | 400 | 26 | 5 | 5 | 4 | 4 | 4 |
| Preservation, birthplace of Abraham Lincoln..... | 400 | 2 | 2 | 2 | 2 | 3 | 2 |
| Fish and Wildlife Service: | | | | | | | |
| Bureau of Sport Fisheries and Wildlife: Contributed funds..... | 400 | 184 | 68 | 68 | 105 | 130 | 90 |
| Bureau of Commercial Fisheries: | | | | | | | |
| Contributed funds..... | 400 | 865 | 841 | 846 | 896 | 853 | 847 |
| Inspection and grading of fishery products..... | 400 | 107 | 174 | 256 | 47 | 140 | 205 |
| Total, Department of the Interior..... | | 109,198 | 79,439 | 123,464 | 66,778 | 81,268 | 119,647 |
| Department of Justice: | | | | | | | |
| Federal Prison System: Commissary funds..... | 200 | | | | —57 | 26 | 20 |
| Office of Alien Property: | | | | | | | |
| Alien property fund, World War II..... | 600 | | | | 4,255 | —1,048 | —166 |
| Alien property fund, Philippines, World War II..... | 150 | | | | 31 | 958 | 2,055 |
| International Claims Settlement Act, title II fund..... | 600 | | | | 1,237 | 1,879 | 515 |
| Total, Department of Justice..... | | | | | 5,467 | 1,815 | 2,424 |
| Department of Labor: | | | | | | | |
| Office of the Secretary: Advances from international organizations, Mutual Security Act..... | 150 | 7 | | | 7 | | |
| Bureau of Employees' Compensation: | | | | | | | |
| Relief and rehabilitation, Longshoremen's and Harbor Workers' Compensation Act, as amended..... | 600 | 27 | 26 | 25 | 105 | 83 | 72 |
| Relief and rehabilitation, Workmen's Compensation Act, within the District of Columbia..... | 600 | 6 | 6 | 6 | 3 | 3 | 3 |
| Advances and reimbursements..... | 600 | | | | —1 | | —2 |
| Bureau of Labor Statistics: Special statistical work..... | 200 | 51 | 32 | | 59 | 40 | 8 |
| Bureau of Employment Security: Salaries and expenses..... | 200 | | | | 414 | | |
| Total, Department of Labor..... | | 91 | 64 | 31 | 587 | 126 | 81 |
| Department of State: | | | | | | | |
| Foreign Service retirement and disability fund: General fund: | | | | | | | |
| Employer's contribution..... | 200 | 2,025 | 2,360 | 2,540 | | | |
| Employees' contributions..... | 200 | 2,192 | 2,202 | 2,258 | 2,989 | 3,164 | 3,383 |
| Interest on investments..... | 200 | 1,031 | 1,129 | 1,231 | | | |
| Total, Foreign Service retirement and disability fund..... | | 5,248 | 5,691 | 6,029 | 2,989 | 3,164 | 3,383 |
| Foreign Service Institute unconditional gift fund..... | 150 | | | | 28 | 2 | |
| Educational exchange: | | | | | | | |
| Education of Iranian students in the United States..... | 150 | | | | 1 | 5 | 3 |
| United States dollars advanced from foreign governments..... | 150 | 673 | 200 | 200 | 692 | 206 | 206 |
| Other: Gifts and bequests, National Commission on Educational, Scientific, and Cultural Cooperation..... | 150 | 1 | 39 | 40 | | 30 | 30 |
| Total, Department of State..... | | 5,922 | 5,930 | 6,269 | 3,710 | 3,407 | 3,622 |
| Treasury Department: | | | | | | | |
| Office of the Secretary: | | | | | | | |
| Federal disability insurance trust fund: | | | | | | | |
| Taxes..... | 200 | 846,681 | 923,000 | 972,000 | | | |
| Deposits by States..... | 200 | 58,064 | 60,000 | 62,000 | | | |
| Interest on investments..... | 200 | 33,734 | 48,527 | 61,452 | | | |
| Payment from railroad retirement account..... | 200 | | 26,480 | 2,500 | | | |
| Benefit payments..... | 200 | | | | 339,281 | 520,000 | 576,000 |
| All other..... | 200 | | | | 31,601 | 42,689 | 47,836 |
| Total, Federal disability insurance trust fund..... | | 938,480 | 1,063,007 | 1,097,952 | 370,832 | 562,689 | 623,836 |
| Federal old-age and survivors insurance trust fund: | | | | | | | |
| Taxes..... | 200 | 7,157,674 | 9,164,000 | 10,693,000 | | | |
| Deposits by States..... | 200 | 481,092 | 500,000 | 515,000 | | | |
| Interest on investments..... | 200 | 542,979 | 513,000 | 512,389 | | | |
| Other receipts..... | 200 | 597 | 894 | 1,034 | | | |
| Benefit payments..... | 200 | | | | 9,049,146 | 10,346,000 | 11,086,000 |
| All other..... | 200 | | | | 404,372 | 849,790 | 565,698 |
| Total, Federal old-age and survivors insurance trust fund..... | | 8,182,342 | 10,177,894 | 11,721,423 | 9,453,518 | 11,195,790 | 11,651,698 |

TABLE 10—Continued
TRUST RECEIPTS AND EXPENDITURES—Continued
BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

| Organization unit and account title | Functional code | RECEIPTS | | | EXPENDITURES | | |
|---|-----------------|-------------|---------------|---------------|--------------|---------------|---------------|
| | | 1959 actual | 1960 estimate | 1961 estimate | 1959 actual | 1960 estimate | 1961 estimate |
| Treasury Department—Continued | | | | | | | |
| Office of the Secretary—Continued | | | | | | | |
| Pershing Hall memorial fund | 600 | \$5 | \$5 | \$5 | -\$7 | \$5 | \$5 |
| Unemployment trust fund: | | | | | | | |
| Deposits by States | 200 | 1,700,575 | 1,850,000 | 1,900,000 | | | |
| Deposits by Railroad Retirement Board | 200 | 102,014 | 150,000 | 170,000 | | | |
| Interest on investments | 200 | 186,908 | 189,000 | 190,000 | | | |
| Transfer of receipts from railroad unemployment insurance administration fund | 200 | 7,874 | 9,400 | 9,800 | | | |
| Borrowings from railroad retirement account | 200 | | 102,000 | | | | |
| General fund: "Payment to unemployment trust fund," Treasury Department | 200 | | | 14,535 | | | |
| Withdrawals by States | 200 | | | | 2,796,920 | 2,100,000 | 1,800,000 |
| All other | 200 | | | | 256,969 | 284,220 | 173,260 |
| Total, unemployment trust fund | | 1,997,370 | 2,300,400 | 2,284,335 | 3,053,889 | 2,384,220 | 1,973,260 |
| Bureau of Accounts: | | | | | | | |
| Bulgarian claims fund | 600 | 144 | 200 | 200 | 41 | 2,000 | 536 |
| Czechoslovakian claims fund | 600 | | 8,541 | | | 200 | 1,500 |
| Hungarian claims fund | 600 | 448 | 950 | | | 1,153 | 535 |
| Italian claims fund | 600 | | | | 248 | 3,022 | 50 |
| Mexican claims fund | 600 | | | | 2 | 10 | 10 |
| Rumanian claims fund | 600 | 1,568 | 200 | 100 | 251 | 15,000 | 4,605 |
| Soviet claims fund | 600 | | | | 357 | 6,000 | 769 |
| Yugoslav claims fund | 600 | | | | 4 | 50 | 336 |
| Losses in melting gold | 600 | 6 | 5 | 5 | | 1 | 1 |
| National defense conditional gift fund | 060 | 20 | | | 42 | | |
| Payment of pre-1934 bonds of the Government of the Philippines | 600 | 109 | 80 | 40 | 200 | 3,252 | 293 |
| Payment of unclaimed moneys | 600 | 236 | 200 | 200 | 56 | 60 | 60 |
| Unclaimed moneys of individuals whose whereabouts are known | 600 | 7 | | | 7 | | |
| Adjustment in increment from reduction in weight of gold dollar | 600 | -135,616 | | | | | |
| Bureau of Customs: | | | | | | | |
| Refunds, transfers, and expenses of operation, Puerto Rico | 600 | 8,680 | 9,000 | 9,300 | 8,379 | 9,000 | 9,000 |
| Refunds, transfers, and expenses of operation, Virgin Islands | 600 | 489 | 525 | 550 | 465 | 525 | 550 |
| Refunds, transfers, and expenses, unclaimed, abandoned, and seized goods | 600 | 295 | 325 | 325 | 356 | 325 | 325 |
| Internal Revenue Service: Expenses, Treasury Department, enforcement title III, National Prohibition Act, as amended, Puerto Rico and Virgin Islands | 600 | 110 | | | 138 | 30 | |
| Coast Guard: General gift fund | 500 | 5 | 5 | 5 | 4 | 12 | 5 |
| Total, Treasury Department | | 10,994,699 | 13,561,337 | 15,114,440 | 12,888,783 | 14,183,344 | 14,267,424 |
| District of Columbia: | | | | | | | |
| Revenue | 600 | 183,892 | 212,660 | 199,304 | | | |
| Payment from general fund, Federal payment | 600 | 74,759 | 33,918 | 47,733 | 278,497 | 296,580 | 307,863 |
| Total, District of Columbia | | 258,651 | 246,578 | 247,037 | 278,497 | 296,580 | 307,863 |
| Deposit funds: | | | | | | | |
| Legislative branch | | | | | | -22 | |
| The Judiciary | | | | | | 2 | |
| Executive Office of the President | | | | | | -54 | 100 |
| Funds appropriated to the President | | | | | | -974 | -378 |
| Independent offices: | | | | | | | -294 |
| Atomic Energy Commission | | | | | | -223 | |
| Civil Service Commission | | | | | | -458 | 750 |
| Farm Credit Administration | | | | | | -6,845 | -6,800 |
| Federal Aviation Agency | | | | | | -2,315 | 2,000 |
| Federal Home Loan Bank Board | | | | | | -7,362 | |
| National Aeronautics and Space Administration | | | | | | -527 | -200 |
| Veterans Administration | | | | | | -5,744 | -4,500 |
| Other | | | | | | -2,729 | 340 |
| General Services Administration | | | | | | -2,066 | 1,400 |
| Housing and Home Finance Agency | | | | | | -389 | -200 |
| Department of Agriculture | | | | | | -7,525 | -1,767 |
| Department of Commerce | | | | | | 4,047 | 3,500 |
| Department of Defense—Military | | | | | | 7,179 | 10,000 |
| Department of Defense—Civil | | | | | | -8,735 | -7,744 |
| Department of Health, Education, and Welfare | | | | | | -1,003 | -930 |
| Department of the Interior | | | | | | 9,207 | -150,000 |
| Department of Justice | | | | | | -1,229 | -1,258 |
| Department of Labor | | | | | | -238 | -300 |
| Post Office Department | | | | | | -907 | |
| Department of State | | | | | | -2,387 | 2,000 |

TABLE 10—Continued
TRUST RECEIPTS AND EXPENDITURES—Continued
BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

| Organization unit and account title | Functional code | RECEIPTS | | | EXPENDITURES | | |
|--|-----------------|--------------|---------------|---------------|--------------|---------------|---------------|
| | | 1959 actual | 1960 estimate | 1961 estimate | 1959 actual | 1960 estimate | 1961 estimate |
| Deposit funds—Continued | | | | | | | |
| Treasury Department | | | | | \$21,439 | \$18,600 | \$18,600 |
| District of Columbia | | | | | 2,399 | 88 | —60 |
| Total, trust fund receipts and expenditures | | \$17,084,325 | \$20,696,458 | \$22,546,607 | 18,597,213 | 21,509,826 | 21,277,684 |
| Deduct trust fund expenditures | | 18,597,213 | 21,509,826 | 21,277,684 | | | |
| Net accumulation in trust funds | | —1,512,888 | —813,368 | 1,268,923 | | | |
| Net increase or decrease (—) in cash balances due to trust fund debt and investment transactions (from special analysis F) | | 1,282,739 | 771,545 | —969,157 | | | |
| Increase or decrease (—) in cash balances resulting from trust fund operations | | —230,149 | —41,823 | 299,766 | | | |
| RECAPITULATION | | | | | | | |
| Trust funds: | | | | | | | |
| Existing legislation | | \$17,084,325 | \$20,696,458 | \$22,580,607 | \$18,604,721 | \$21,644,925 | \$21,356,705 |
| Proposed legislation | | | | —34,000 | | | 32,000 |
| Deposit funds, net: | | | | | | | |
| Purchase of U.S. securities (quasi-governmental enterprises) | | | | | —68,451 | | |
| Sales and redemptions of obligations in the market (quasi-governmental enterprises) | | | | | —1,222,012 | —135,099 | —111,021 |
| Other | | | | | 1,282,955 | | |
| Total, trust fund receipts and expenditures | | 17,084,325 | 20,696,458 | 22,546,607 | 18,597,213 | 21,509,826 | 21,277,684 |

SUMMARY OF MAJOR TRUST FUND BALANCES AVAILABLE AT START OF YEAR

[In thousands. Including U.S. securities]

| | 1959 | 1960 | 1961 | 1962 |
|--|-------------|-------------|-------------|-------------|
| Federal disability insurance trust fund | \$1,098,973 | \$1,666,621 | \$2,166,939 | \$2,641,055 |
| Federal employees retirement funds | 8,293,802 | 9,243,059 | 10,066,367 | 10,850,022 |
| Federal old-age and survivors insurance trust fund | 22,812,600 | 21,541,424 | 20,523,528 | 20,592,254 |
| Highway trust fund | 1,048,534 | 523,657 | 8,657 | 104,657 |
| Railroad retirement account | 3,668,223 | 3,648,925 | 3,893,001 | 3,970,901 |
| Secondary market operations fund | 61,694 | 52,616 | 52,117 | 52,117 |
| Unemployment trust fund | 7,772,672 | 6,716,153 | 6,632,333 | 6,943,408 |
| Veterans life insurance funds | 6,828,539 | 6,884,571 | 6,944,349 | 7,031,994 |
| Total | 51,585,037 | 50,277,026 | 50,288,191 | 52,186,408 |

EXPENDITURES AND APPLICABLE RECEIPTS OF TRUST REVOLVING FUNDS

[In thousands]

| Organization unit and account title | Functional code | GROSS EXPENDITURES (funds applied) | | | RECEIPTS FROM OPERATIONS (funds provided) | | | NET TRUST EXPENDITURES | | |
|---|-----------------|---------------------------------------|------------------|------------------|--|------------------|------------------|------------------------|------------------|------------------|
| | | 1959 actual | 1960 estimate | 1961 estimate | 1959 actual | 1960 estimate | 1961 estimate | 1959 actual | 1960 estimate | 1961 estimate |
| Independent offices: | | | | | | | | | | |
| Civil Service Commission: | | | | | | | | | | |
| Employees health benefits fund..... | 200 | \$788 | \$238,899 | | \$838 | \$257,155 | | -\$50 | -\$18,256 | |
| Employees life insurance fund..... | 200 | \$79,564 | 84,455 | 87,343 | \$137,942 | 127,794 | 130,343 | -\$58,378 | -43,339 | -43,000 |
| Farm Credit Administration: Operating fund, Federal intermediate credit banks..... | 350 | 1,747,544 | | | 1,692,185 | | | 55,359 | | |
| Federal Communications Commission: International telecommunications settlements..... | 500 | 225 | 263 | 248 | 252 | 248 | 248 | -27 | 15 | |
| National Capital Housing Authority: Operation and maintenance, properties aided by Public Housing Administration..... | 500 | 73,974 | 30,695 | 23,026 | 77,285 | 27,665 | 22,926 | -3,310 | 3,030 | 100 |
| General Services Administration: | | | | | | | | | | |
| Records activities: National Archives trust fund..... | 600 | 153 | 183 | 186 | 158 | 187 | 191 | -5 | -4 | -4 |
| Housing and Home Finance Agency: | | | | | | | | | | |
| Federal National Mortgage Association: Secondary market operations fund..... | 500 | 643,176 | 2,132,872 | 1,936,318 | 509,157 | 1,152,499 | 1,136,318 | 134,018 | 980,373 | 800,000 |
| Department of Agriculture: | | | | | | | | | | |
| Farmers Home Administration: State rural rehabilitation funds..... | 350 | 14,190 | 8,482 | 5,111 | 9,207 | 7,893 | 6,262 | 4,982 | 588 | -1,151 |
| Department of Defense—Civil: | | | | | | | | | | |
| United States Soldiers' Home: United States Soldiers' Home revolving fund..... | 100 | 98 | 113 | 115 | 108 | 109 | 120 | -10 | 4 | -5 |
| Department of Justice: | | | | | | | | | | |
| Federal Prison System: Commissary funds, Federal prisons..... | 200 | 1,927 | 1,926 | 1,970 | 1,985 | 1,900 | 1,950 | -57 | 26 | 20 |
| Office of Alien Property: | | | | | | | | | | |
| Alien property fund, World War II..... | 600 | 15,966 | 10,008 | 5,838 | 11,711 | 11,056 | 6,004 | 4,255 | -1,048 | -166 |
| Alien property fund, Philippines, World War II..... | 150 | 75 | 1,925 | 2,320 | 44 | 967 | 265 | 31 | 958 | 2,055 |
| International Claims, Settlement Act, title II fund..... | 600 | 2,109 | 2,619 | 515 | 872 | 740 | | 1,237 | 1,879 | 515 |
| Total, trust revolving funds..... | | 2,579,001 | 2,274,329 | 2,301,889 | 2,440,906 | 1,331,896 | 1,561,782 | 138,095 | 942,433 | 740,107 |

HOUSING AND HOME FINANCE AGENCY—Con.**FEDERAL NATIONAL MORTGAGE ASSOCIATION—Con.****SECONDARY MARKET OPERATIONS FUND (TRUST REVOLVING FUND)—Continued****Sources and Application of Funds (Operations)—Continued**

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|---------------|---------------|---------------|
| Receipts from operations (funds provided)—Continued | | | |
| General fund financing: | | | |
| Borrowing from Treasury----- | \$307,311,970 | \$940,000,000 | \$800,000,000 |
| Issuance of preferred stock----- | | 50,000,000 | |
| Total receipts from operations----- | 509,157,370 | 1,152,498,745 | 1,136,318,000 |
| Trust expenditures----- | 134,018,344 | 980,373,290 | 800,000,000 |

Revenue, Expense, and Retained Earnings

| | | | |
|--|--------------|---------------|---------------|
| Revenue----- | \$70,482,174 | \$111,683,438 | \$166,015,000 |
| Expense----- | 49,601,087 | 88,909,000 | 145,587,000 |
| Net income before income tax equivalent----- | 20,881,087 | 22,774,438 | 20,428,000 |
| Income tax equivalent----- | 10,852,665 | 11,837,000 | 10,617,000 |
| Net income for the year----- | 10,028,422 | 10,937,438 | 9,811,000 |
| Analysis of retained earnings: | | | |
| Retained earnings, beginning of year----- | 10,257,081 | 17,129,206 | 23,921,644 |
| Dividends: | | | |
| On preferred stock held by Treasury (—)----- | -2,300,000 | -2,645,000 | -3,510,000 |
| On common stock held by public (—)----- | -856,297 | -1,500,000 | -2,104,000 |
| Retained earnings, end of year----- | 17,129,206 | 23,921,644 | 28,118,644 |

The above is distributed as follows:

| | | | |
|----------------------------|-------------|-------------|-------------|
| Trust investment----- | \$4,994,460 | \$7,462,563 | \$9,140,213 |
| Government investment----- | 12,134,746 | 16,459,081 | 18,978,431 |

Financial Condition

| | | | |
|---|---------------|---------------|---------------|
| Assets: | | | |
| Cash with Treasury----- | \$52,588,290 | \$52,090,000 | \$52,090,000 |
| U.S. securities: Federal Housing Administration debentures on hand----- | 27,300 | 27,300 | 27,300 |
| Accounts receivable, net----- | 10,323,338 | 15,100,000 | 21,300,000 |
| Deferred charges----- | 2,313,569 | 2,375,000 | 2,100,000 |
| Loans receivable, net: Federal Housing Administration insured and Veterans Administration guaranteed mortgages----- | 1,510,248,562 | 2,484,873,000 | 3,368,448,000 |
| Total assets----- | 1,575,531,059 | 2,554,465,300 | 3,443,965,300 |
| Liabilities: | | | |
| Current liabilities----- | 40,033,319 | 51,139,803 | 65,752,803 |
| Deferred income—premium on sale of debentures to public----- | 958,646 | 780,000 | 600,000 |
| Debentures payable----- | 1,290,125,000 | 2,270,000,000 | 3,070,000,000 |
| Total liabilities----- | 1,331,116,965 | 2,321,919,803 | 3,136,352,803 |
| Trust investment: | | | |
| Common stock issued or subscribed: | | | |
| Start of year----- | 36,523,587 | 42,933,548 | 65,803,548 |
| Increase during year----- | 6,409,961 | 22,870,000 | 20,870,000 |
| End of year----- | 42,933,548 | 65,803,548 | 86,673,548 |
| Retained earnings----- | 4,994,460 | 7,462,563 | 9,140,213 |
| Total trust investment----- | 47,928,008 | 73,266,111 | 95,813,761 |
| Government investment: | | | |
| Interest-bearing capital: | | | |
| Start of year----- | | 41,531,035 | |
| Borrowings from Treasury during year, net----- | 41,531,035 | -41,531,035 | |
| End of year----- | 41,531,035 | | |
| Non-interest-bearing capital (preferred stock issued): | | | |
| Start of year----- | 142,820,305 | 142,820,305 | 142,820,305 |
| Issued during year----- | | 50,000,000 | |
| End of year----- | 142,820,305 | 142,820,305 | 192,820,305 |
| Retained earnings----- | 12,134,746 | 16,459,081 | 18,978,431 |
| Total non-interest-bearing capital----- | 154,955,051 | 159,279,386 | 211,798,736 |
| Total Government investment----- | 196,486,086 | 159,279,386 | 211,798,736 |
| Total trust and Government investment----- | 244,414,094 | 232,545,497 | 307,612,497 |

Status of Certain Fund Balances

| | 1958 actual | 1959 actual | 1960 estimate | 1961 estimate |
|---|----------------|----------------|----------------|----------------|
| Unexpended balance: Cash and U.S. securities----- | \$61,693,934 | \$52,615,590 | \$52,117,300 | \$52,117,300 |
| Authorization to expend from debt receipts: Authorization to expend from public debt receipts (general fund)----- | 2,315,000,000 | 2,273,468,965 | 2,315,000,000 | 2,265,000,000 |
| Portion available only as corporate debt to the public is retired (—)----- | -1,165,185,000 | -1,290,125,000 | -2,270,000,000 | -3,070,000,000 |
| Amount in excess of authorization to expend from public debt receipts----- | 296,009,730 | 428,830,590 | 725,454,970 | 976,124,970 |
| Authorization to expend from debt receipts----- | 1,445,824,730 | 1,412,174,555 | 770,454,970 | 171,124,970 |
| Total unexpended balance----- | 1,507,518,664 | 1,464,790,145 | 822,572,270 | 223,242,270 |
| Obligated balance, net: Current liabilities----- | 48,396,287 | 40,033,319 | 51,139,803 | 65,752,803 |
| Mortgage purchase commitments----- | 74,590,302 | 116,976,597 | 100,000,000 | 100,000,000 |
| Accounts receivable, net (—)----- | -8,027,708 | -10,323,338 | -15,100,000 | -21,300,000 |
| Total obligated balance----- | 114,958,881 | 146,686,578 | 136,039,803 | 144,452,803 |
| Unobligated balance----- | 1,392,559,783 | 1,318,103,567 | 686,532,467 | 78,789,467 |

NOTE.—Preferred stock authorized but not issued as follows: 1958, \$65,000,000; 1959, \$65,000,000; 1960, \$65,000,000; 1961, \$15,000,000.

DEPARTMENT OF AGRICULTURE**AGRICULTURAL RESEARCH SERVICE****AGRICULTURAL RESEARCH SERVICE TRUST FUNDS****Program and Financing**

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|-------------|---------------|---------------|
| Program by activities: | | | |
| 1. Expenses and refunds, inspection and grading of farm products: | | | |
| (a) Inspection and certification of animal foods and inedible agricultural products in interstate and foreign commerce----- | \$100,759 | \$62,000 | \$62,000 |
| (b) Identification and certification service for meat and other products----- | 75,755 | 65,000 | 65,000 |
| (c) Contract specification work on meat and meat food products----- | 225,176 | 118,000 | 118,000 |
| 2. Expenses, feed and attendants for animals in quarantine----- | 24,950 | 35,209 | 30,000 |
| 3. Miscellaneous contributed funds----- | 276,596 | 523,380 | 356,439 |
| 4. Prior year advances returned----- | 6,636 | 698 | |
| Total program costs ¹ ----- | 709,922 | 804,287 | 631,439 |
| 5. Relation of costs to obligations: Costs financed from obligations of other years (unpaid undelivered orders), net (—)----- | -1,361 | | |
| Total program (obligations)----- | 708,561 | 804,287 | 631,439 |
| Financing: | | | |
| Unobligated balance brought forward----- | 271,915 | 300,885 | 229,699 |
| Receipts: | | | |
| Expenses and refunds, inspection and grading of farm products----- | 404,714 | 245,000 | 245,000 |
| Expenses, feed and attendants for animals in quarantine----- | 37,039 | 20,000 | 30,000 |
| Miscellaneous contributed funds----- | 295,778 | 468,101 | 341,650 |
| Unobligated balance carried forward----- | -300,885 | -229,699 | -214,910 |
| Total financing----- | 708,561 | 804,287 | 631,439 |

¹ Includes capital outlay as follows: 1959, \$5,057; 1960, \$12,000; 1961, \$7,500.

The following services are financed by fees and miscellaneous contributions advanced by importers, manufacturers, States, organizations, individuals, and others.

1. *Expenses and refunds, inspection and grading of farm products* provide for (a) inspection and certification of animal foods and inedible agricultural products in interstate and foreign commerce; (b) identification and marking of divided portions of meat, meat byproducts, and meat food products previously federally inspected and so marked in order that divided portions will bear Federal marks; and (c) examination of meat and meat food products in federally inspected meat packing plants for compliance with contract specifications (7 U.S.C. 1622h, 1624).

2. *Expenses, feed and attendants for animals in quarantine* are paid from fees advanced by importers (21 U.S.C. 102).

3. *Miscellaneous contributed funds* received from States, local organizations, individuals, and others are available for work under cooperative agreements on miscellaneous production and utilization research activities, plant quarantine inspection, and cooperative plant pest control activities (5 U.S.C. 67,563).

5. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1958, \$4,576; 1959, \$3,215; 1960, \$3,215; 1961, \$3,215.

Object Classification

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|-------------|---------------|---------------|
| Total number of permanent positions | 28 | 32 | 33 |
| Full-time equivalent of all other positions | 8 | 8 | 8 |
| Average number of all positions | 32 | 41 | 42 |
| Number of employees at end of year | 36 | 41 | 41 |
| Average GS grade and salary | 7.5 | \$6,004 | 7.6 |
| Average salary of ungraded positions | | \$3,907 | \$4,097 |
| 01 Personal services: | | | |
| Permanent positions | \$148,055 | \$199,000 | \$200,500 |
| Positions other than permanent | 26,210 | 23,500 | 23,500 |
| Other personal services | 19,896 | 23,800 | 21,900 |
| Total personal services | 194,161 | 246,300 | 245,900 |
| 02 Travel | 26,141 | 43,800 | 29,150 |
| 03 Transportation of things | 640 | 2,800 | 700 |
| 04 Communication services | 1,389 | 1,500 | 1,500 |
| 05 Rents and utility services | 2,321 | 2,400 | 2,400 |
| 06 Printing and reproduction | 1,753 | 21,800 | 1,800 |
| 07 Other contractual services | 10,493 | 14,200 | 13,900 |
| Services performed by other agencies | 416,245 | 326,250 | 261,250 |
| 08 Supplies and materials | 35,169 | 115,639 | 59,839 |
| 09 Equipment | 4,837 | 16,900 | 3,500 |
| 11 Grants, subsidies, and contributions | 7,468 | 10,780 | 10,280 |
| 13 Refunds, awards, and indemnities | 6,686 | 698 | |
| 15 Taxes and assessments | 1,258 | 1,220 | 1,220 |
| Total obligations | 708,561 | 804,287 | 631,439 |

EXTENSION SERVICE

MISCELLANEOUS CONTRIBUTED FUNDS

Program and Financing

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|-------------|---------------|---------------|
| Program by activities: | | | |
| Miscellaneous contributed funds (total costs—obligations) | \$6,672 | \$6,859 | \$6,700 |
| Financing: | | | |
| Unobligated balance brought forward | | 159 | |
| Receipts | 6,831 | 6,700 | 6,700 |
| Unobligated balance carried forward | -159 | | |
| Total financing | 6,672 | 6,859 | 6,700 |

Miscellaneous funds received from States, local organizations, individuals, and others are available for work under cooperative agreements (5 U.S.C. 67, 563).

Object Classification

| | 1959 actual | 1960 estimate | 1961 estimate |
|------------------------|-------------|---------------|---------------|
| 02 Travel | \$6,670 | \$6,859 | \$6,700 |
| Supplies and materials | 2 | | |
| Total obligations | 6,672 | 6,859 | 6,700 |

SOIL CONSERVATION SERVICE

SOIL CONSERVATION SERVICE TRUST FUNDS

Program and Financing

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|-------------|---------------|---------------|
| Program by activities: | | | |
| 1. Technical services and other assistance, agricultural conservation program | \$3,778,869 | | |
| 261,675 | \$297,703 | \$300,000 | |
| 2. Miscellaneous contributed funds | 4,040,544 | 297,703 | 300,000 |
| Total program costs | | | |
| 3. Relation of costs to obligations: | | | |
| Costs financed from obligations of other years (unpaid undelivered orders), net (-) | -117,881 | | |
| Obligations incurred for costs of other years (unpaid undelivered orders), net | | 2,297 | |
| Total program (obligations) | 3,922,663 | 300,000 | 300,000 |
| Financing: | | | |
| Unobligated balance brought forward | 2,902,026 | 88,604 | |
| Receipts: | | | |
| Technical services and other assistance, agricultural conservation program | 862,834 | | |
| Miscellaneous contributed funds | 246,407 | 211,396 | 300,000 |
| Unobligated balance carried forward | -88,604 | | |
| Total financing | 3,922,663 | 300,000 | 300,000 |

1. *Technical services and other assistance, agricultural conservation program.*—During the 1959 fiscal year funds were advanced to the Soil Conservation Service to complete the technical services required on the 1958 program-year referrals. Beginning with the 1959 program year the agreements with the individual county agricultural stabilization and conservation committees provide that the technical services to agricultural conservation program participants will be performed on a reimbursable basis. Therefore, no obligations appear for this activity in fiscal year 1960 or 1961 (71 Stat. 337; 16 U.S.C. 590k).

2. *Miscellaneous contributed funds.*—Miscellaneous funds received from States, local organizations, individuals, and others are available for work under cooperative agreements (5 U.S.C. 67, 563).

3. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1958, \$153,584; 1959, \$35,703; 1960, \$38,000; 1961, \$38,000.

Object Classification

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|-------------|---------------|---------------|
| Program by activities: | | | |
| Total number of permanent positions | 84 | 13 | 13 |
| Full-time equivalent of all other positions | 226 | 9 | 9 |
| Average number of all employees | 625 | 38 | 38 |
| Number of employees at end of year | 20 | 24 | 24 |
| Average GS grade and salary | 6.7 | \$5,491 | 6.9 |
| 01 Personal services: | | | |
| Permanent positions | \$2,075,274 | \$166,200 | \$166,000 |
| Positions other than permanent | 814,847 | 32,000 | 32,000 |
| Other personal services | 4,679 | 1,800 | 2,000 |
| Total personal services | 2,894,800 | 200,000 | 200,000 |
| 02 Travel | 38,039 | 19,300 | 19,300 |
| 03 Transportation of things | 374 | 1,600 | 1,600 |
| 04 Communication services | 1,269 | 600 | 600 |

DEPARTMENT OF AGRICULTURE—Continued

SOIL CONSERVATION SERVICE—Continued

SOIL CONSERVATION SERVICE TRUST FUNDS—Continued

Object Classification—Continued

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|-------------|---------------|---------------|
| 05 Rents and utility services..... | \$900 | \$1,200 | \$1,200 |
| 06 Printing and reproduction..... | 789 | 2,300 | 2,300 |
| 07 Other contractual services..... | 326,244 | 53,000 | 53,000 |
| Services performed by other agencies..... | 1,928 | 4,300 | 4,300 |
| 08 Supplies and materials..... | 124,049 | 2,000 | 2,000 |
| 09 Equipment..... | 3 | | |
| 11 Grants, subsidies, and contributions..... | 146,077 | 11,000 | 11,000 |
| 13 Refunds, awards, and indemnities..... | 373,676 | 4,000 | 4,000 |
| 15 Taxes and assessments..... | 14,515 | 700 | 700 |
| Total obligations..... | 3,922,663 | 300,000 | 300,000 |

AGRICULTURAL MARKETING SERVICE

AGRICULTURAL MARKETING SERVICE TRUST FUNDS

Program and Financing

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|-------------|---------------|---------------|
| Program by activities: | | | |
| 1. Expenses and refunds, inspection and grading of farm products: | | | |
| (a) Cottonseed..... | \$21,871 | \$32,000 | \$32,100 |
| (b) Dairy products..... | 1,715,678 | 1,689,600 | 1,702,200 |
| (c) Fresh and processed fruits and vegetables..... | 5,639,768 | 5,280,800 | 5,317,900 |
| (d) Meat..... | 4,260,467 | 4,688,100 | 4,720,000 |
| (e) Naval stores..... | 14,628 | 16,000 | 16,100 |
| (f) Poultry products..... | 4,062,267 | 4,404,200 | 4,889,300 |
| (g) Rice, hay, beans, peas, seed, hops, and miscellaneous agricultural commodities..... | 1,356,109 | 1,390,600 | 1,402,600 |
| 2. Miscellaneous contributed funds..... | 96,905 | 66,755 | 32,000 |
| Total program costs ¹ | 17,167,693 | 17,568,055 | 18,112,200 |
| 3. Relation of costs to obligations: Costs financed from obligations of other years, net (—)..... | -1,266 | -20,043 | |
| Total program (obligations)..... | 17,166,427 | 17,548,012 | 18,112,200 |
| Financing: | | | |
| Unobligated balance brought forward..... | 6,138,275 | 6,391,463 | 6,306,795 |
| Receipts: | | | |
| Expenses and refunds, inspection and grading of farm products..... | 17,288,592 | 17,413,600 | 17,703,300 |
| Miscellaneous contributed funds..... | 91,040 | 49,744 | 32,000 |
| Recovery of prior year obligations..... | 39,983 | | |
| Unobligated balance carried forward..... | -6,391,463 | -6,306,795 | -5,929,895 |
| Total financing..... | 17,166,427 | 17,548,012 | 18,112,200 |

¹ Includes capital outlay as follows: 1959, \$82,793; 1960, \$83,400; 1961, \$85,200.

1. Expenses and refunds, inspection and grading of farm products.—An inspection and grading service for farm products is provided upon application of interested parties. These services are supported primarily by fees and, to a limited extent, by direct appropriations to the Agricultural Marketing Service. The schedules reflect expenses paid from fees received (7 U.S.C. 91–99, 1621–1627). The volume of work performed under the trust fund is shown below:

| Commodity | Unit | 1959 actual | 1960 estimate | 1961 estimate |
|---|-------------------------------|----------------|------------------|------------------|
| Dairy products..... | Pound..... | 2,786.0 | 2,845.0 | 2,845.0 |
| Fresh fruits and vegetables..... | Car or carlot equivalent..... | 1.4 | 1.4 | 1.5 |
| Processed fruits and vegetables: | | | | |
| Canned products..... | Case..... | 173.9 | 170.0 | 170.0 |
| Frozen, dried, and miscellaneous..... | Pound..... | 2,988.3 | 3,300.0 | 3,400.0 |
| Meat and meat products, graded..... | Pound..... | 7,100.4 | 7,340.0 | 7,797.0 |
| Poultry products, graded: | | | | |
| Shell eggs..... | Case..... | 34.9 | 38.0 | 40.0 |
| Processed eggs..... | Pound..... | 497.5 | 530.0 | 551.0 |
| Poultry, including rabbits..... | Pound..... | 2,022.2 | 2,291.1 | 2,411.1 |
| Poultry products, inspected: | | | | |
| Poultry, including rabbits..... | Pound..... | 995.4 | 10.4 | 10.4 |
| Poultry certified for canning..... | Pound..... | 178.6 | 190.0 | 200.0 |
| Grain and related products: | | | | |
| Rice, beans, and peas..... | 100-pound bag..... | 50.3 | 58.5 | 58.5 |
| Seed verification and reverification..... | Pound..... | 62.4 | 72.0 | 72.0 |

2. Miscellaneous contributed funds.—Miscellaneous funds received from States, local organizations, individuals, and others available for work under cooperative agreements (5 U.S.C. 67, 563).

3. Relation of costs to obligations.—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

| | 1958 actual | 1959 actual | 1960 estimate | 1961 estimate |
|---|----------------|----------------|------------------|------------------|
| Selected resources at end of year: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)..... | \$117,514 | \$76,265 | \$56,222 | \$56,222 |
| Selected resources at start of year (—)..... | -117,514 | -76,265 | -56,222 | -56,222 |
| Adjustment of selected resources reported at start of year..... | 39,983 | | | |

Costs financed from obligations of other years, net (—).....

-1,266 -20,043

Object Classification

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|--------------|---------------|---------------|
| Total number of permanent positions..... | 3,115 | 2,660 | 2,781 |
| Full-time equivalent of all other positions..... | 102 | 84 | 85 |
| Average number of all employees..... | 2,361 | 2,429 | 2,502 |
| Number of employees at end of year..... | 2,482 | 2,614 | 2,733 |
| Average GS grade and salary..... | 7.2 | \$5,732 | 7.3 |
| Average salary of ungraded positions..... | | \$4,260 | \$4,367 |
| 01 Personal services: | | | |
| Permanent positions..... | \$12,388,667 | \$12,961,436 | \$13,361,175 |
| Positions other than permanent..... | 423,414 | 335,070 | 339,870 |
| Other personal services..... | 785,022 | 465,939 | 456,355 |
| Total personal services..... | 13,597,103 | 13,762,445 | 14,157,400 |
| 02 Travel..... | 1,236,958 | 1,285,400 | 1,288,600 |
| 03 Transportation of things..... | 44,426 | 75,400 | 75,300 |
| 04 Communication services..... | 213,734 | 230,300 | 231,300 |
| 05 Rentals and utility services..... | 93,714 | 97,000 | 97,000 |
| 06 Printing and reproduction..... | 81,094 | 84,500 | 84,500 |
| 07 Other contractual services..... | 789,979 | 736,745 | 878,550 |
| Services performed by other agencies..... | 128,428 | 204,500 | 204,500 |
| 08 Supplies and materials..... | 111,491 | 131,900 | 130,550 |
| 09 Equipment..... | 79,113 | 84,900 | 84,200 |
| 11 Grants, subsidies, and contributions..... | 755,424 | 822,454 | 847,900 |
| 13 Refunds, awards, and indemnities..... | 7,025 | 10,968 | 10,800 |
| 15 Taxes and assessments..... | 28,028 | 21,500 | 21,600 |
| Total obligations..... | 17,166,427 | 17,548,012 | 18,112,200 |

FOREIGN AGRICULTURAL SERVICE

MISCELLANEOUS CONTRIBUTED FUNDS

Program and Financing

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|-------------|---------------|---------------|
| Program by activities: | | | |
| Miscellaneous contributed funds (total costs—obligations)..... | \$4,000 | \$4,000 | |
| Financing: | | | |
| Receipts..... | 4,000 | 4,000 | |

Miscellaneous funds received from States, local organizations, and others are available for work under cooperative agreements (5 U.S.C. 67, 563).

Object Classification

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|-------------|---------------|---------------|
| Total number of permanent positions..... | 1 | 1 | |
| Average number of employees..... | 1 | 1 | |
| Number of employees at end of year..... | 0 | 0 | |
| Average GS grade and salary..... | 12.0 | \$8,944 | 12.0 |
| 01 Personal services: | | | |
| Permanent positions..... | \$2,752 | \$2,752 | |
| Positions other than permanent..... | 1,039 | 1,039 | |
| Total personal services..... | 3,791 | 3,791 | |
| 07 Other contractual services..... | 5 | 5 | |
| 11 Grants, subsidies, and contributions..... | 179 | 179 | |
| 15 Taxes and assessments..... | 25 | 25 | |
| Total obligations..... | 4,000 | 4,000 | |

COMMODITY STABILIZATION SERVICE

MISCELLANEOUS CONTRIBUTED FUNDS

Program and Financing

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|-------------|---------------|---------------|
| Program by activities: | | | |
| Miscellaneous contributed funds (total costs—obligations) (object class 07) | \$39,970 | \$15,550 | \$9,000 |
| Financing: | | | |
| Unobligated balance brought forward | 5,627 | | |
| Receipts | 34,343 | 15,550 | 9,000 |
| Total financing | 39,970 | 15,550 | 9,000 |

Miscellaneous funds received from States, local organizations, and others are available for work under cooperative agreements (5 U.S.C. 67, 563).

FARMERS HOME ADMINISTRATION

STATE RURAL REHABILITATION FUNDS

These funds are administered by the Farmers Home Administration, under agreements with 40 individual States, for use in carrying out titles I and II of the Bankhead-Jones Farm Tenant Act. In these States, operating type loans are made at 5% interest. In some States, farm ownership type loans are made from these funds and insured under the regular Farmers Home Administration insured loan program at 5% of which 1% represents an insurance charge that is retained by the Government. The entire assets of the 40 State corporations are being administered by the Farmers Home Administration, with the exception of \$7,298,513 in cash and other assets returned to States for rural rehabilitation purposes agreed upon between each corporation and the Federal Government.

Declining activity is expected in 1960 and 1961 as a result of further return of assets to State corporations. Actual and estimated loan operations for 1958, 1959, 1960, and 1961 are as follows:

| | Operating | Farm ownership |
|-----------------|-------------|----------------|
| 1958 | \$1,799,719 | \$10,386,610 |
| 1959 | 1,513,545 | 9,720,835 |
| 1960 (estimate) | 900,000 | 5,500,000 |
| 1961 (estimate) | 500,000 | 3,000,000 |

Sources and Application of Funds (Operations)

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|--------------|---------------|---------------|
| Gross expenditures (funds applied): | | | |
| Loan program: | | | |
| Acquisition of loans | \$12,915,650 | \$6,900,000 | \$3,500,000 |
| Other acquisitions | 10,787 | 13,000 | 13,000 |
| Expense | 635,652 | 592,500 | 402,500 |
| Assets returned to States | 627,533 | 976,100 | 1,195,100 |
| Total gross expenditures | 14,189,622 | 8,481,600 | 5,110,600 |
| Receipts from operations (funds provided): | | | |
| Loan program: | | | |
| Loans repaid | 7,935,070 | 6,000,000 | 4,700,000 |
| Proceeds from sale of acquired property | 14,350 | 4,000 | 6,000 |
| Payments on judgments | 19,237 | 15,000 | 30,000 |
| Revenue | 1,079,453 | 1,271,800 | 1,081,500 |
| Decrease in selected working capital | 159,205 | 602,345 | 444,590 |
| Total receipts from operations | 9,207,315 | 7,893,145 | 6,262,090 |
| Trust expenditures | 4,982,307 | 588,455 | -1,151,490 |

Revenue, Expense, and Retained Earnings

| Operating program: | 1959 actual | 1960 estimate | 1961 estimate |
|----------------------|-------------|---------------|---------------|
| Revenue | \$1,084,435 | \$1,271,800 | \$1,081,500 |
| Expense | 512,882 | 464,801 | 293,559 |
| Net operating income | 571,553 | 806,999 | 787,941 |

Revenue, Expense, and Retained Earnings—Continued

| | 1959 actual | 1960 estimate | 1961 estimate |
|-------------------------------------|-------------|---------------|---------------|
| Nonoperating income or loss (-): | | | |
| Sale of acquired property | \$14,350 | \$19,000 | \$6,000 |
| Net book value of assets sold (-) | -9,762 | -19,500 | -5,800 |
| Net nonoperating income or loss (-) | 4,588 | -500 | 200 |
| Net income for the year | 576,141 | 806,499 | 788,141 |
| Deficit (-), beginning of year | -3,738,426 | -3,652,386 | -2,845,837 |
| Adjustment of prior year expense | -490,101 | | |
| Deficit (-), end of year | -3,652,386 | -2,845,887 | -2,057,746 |

Financial Condition

| | | | |
|---|-------------|-------------|-------------|
| Assets: | | | |
| Cash with Treasury | \$3,523,741 | \$3,551,286 | \$5,202,776 |
| U.S. securities (par) | 2,816,000 | 2,200,000 | 1,700,000 |
| Accounts receivable, net | 1,605,561 | 1,332,138 | 1,150,589 |
| Loans receivable, net | 22,127,586 | 21,893,363 | 17,659,263 |
| Acquired security or collateral | 1,318 | 10,818 | 28,018 |
| Real estate acquired through foreclosure | 35,058 | 19,058 | 4,058 |
| Judgments, net | 33,895 | 33,395 | 30,395 |
| Total assets | 30,143,159 | 29,040,058 | 25,775,099 |
| Liabilities: | | | |
| Current | 48,404 | 43,404 | 33,404 |
| Investment of States: | | | |
| Non-interest-bearing capital: | | | |
| Start of year | 34,754,212 | 33,747,141 | 31,842,541 |
| Prior year adjustment | 490,101 | | |
| Assets transferred under trust agreement during year, net (-) | -1,497,172 | -1,904,600 | -4,043,100 |
| End of year | 33,747,141 | 31,842,541 | 27,799,441 |
| Deficit (-) | -3,652,386 | -2,845,887 | -2,057,746 |
| Total investment of States | 30,094,755 | 28,996,654 | 25,741,695 |

Object Classification

| | | | |
|---|------------|-----------|-----------|
| Total number of permanent positions | 42 | 32 | 22 |
| Average number of all employees | 42 | 31 | 20 |
| Number of employees at end of year | 33 | 32 | 22 |
| Average GS grade and salary | 5.6 | \$5,116 | 5.5 |
| | | \$5,032 | 5.9 |
| 01 Personal services: | | | |
| Permanent positions | \$212,029 | \$154,760 | \$104,570 |
| Other personal services | 676 | 1,240 | 430 |
| Total personal services | 212,705 | 156,000 | 105,000 |
| 02 Travel | 21,119 | 16,000 | 9,900 |
| 07 Other contractual services | 3,472 | 500 | 1,500 |
| 11 Grants, subsidies, and contributions | 76,907 | 77,000 | 77,000 |
| 13 Refunds, awards, and indemnities | 13,753 | 10,500 | 6,600 |
| 15 Investments and loans | 570,010 | 825,100 | 1,039,100 |
| Undistributed charges | 11,234,380 | 6,400,000 | 3,500,000 |
| Total obligations | 199,393 | 162,578 | 98,459 |

OFFICE OF INFORMATION

MISCELLANEOUS CONTRIBUTED FUNDS

Program and Financing

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|-------------|---------------|---------------|
| Program by activities: | | | |
| 1. Miscellaneous contributed funds (total program costs) | \$2,199 | \$21,000 | |
| 2. Relation of costs to obligations: Costs financed from obligations of other years, net (-) | -1,586 | | |
| Total program (obligations) | 613 | 21,000 | |
| Financing: | | | |
| Unobligated balance brought forward | 613 | | 21,000 |
| Receipts | | | |
| Total financing | 613 | 21,000 | |

1. Miscellaneous funds received from States, local organizations, individuals, and others are available for work under cooperative agreements (5 U.S.C. 67, 563).
2. Relation of costs to obligations.—The year-end balances of unpaid undelivered orders are as follows: 1958, \$1,586.

DEPARTMENT OF AGRICULTURE—Continued

OFFICE OF INFORMATION—Continued

MISCELLANEOUS CONTRIBUTED FUNDS—Continued

Object Classification

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|-------------|---------------|---------------|
| 03 Transportation of things----- | \$158 | ----- | ----- |
| 07 Other contractual services: Services performed by other agencies----- | 455 | \$21,000 | ----- |
| Total obligations----- | 613 | 21,000 | ----- |

FOREST SERVICE

FOREST SERVICE TRUST FUNDS

Program and Financing

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|-------------|---------------|---------------|
| Program by activities: | | | |
| 1. Cooperative work: | | | |
| (a) Construction and maintenance of roads and trails----- | \$1,112,415 | \$1,300,000 | \$1,300,000 |
| (b) Construction and maintenance of other improvements----- | 420,304 | 400,000 | 400,000 |
| (c) Protection of national forests and adjacent private land----- | 2,346,716 | 2,400,000 | 2,400,000 |
| (d) Sale area betterment and scaling----- | 10,622,112 | 12,240,000 | 12,740,000 |
| (e) Research investigations----- | 953,689 | 1,000,000 | 1,000,000 |
| (f) Administration----- | 61,365 | 60,000 | 60,000 |
| (g) Reforestation----- | 92,972 | 100,000 | 100,000 |
| 2. Miscellaneous contributed funds----- | 11,140 | 5,571 | ----- |
| 3. Technical services and other assistance, agricultural conservation program----- | 4,357 | ----- | ----- |
| Total program costs ¹ ----- | 15,625,070 | 17,505,571 | 18,000,000 |
| 4. Relation of costs to obligations: Obligations incurred for costs of other years (unpaid undelivered orders), net----- | 174,860 | ----- | ----- |
| Total program (obligations)----- | 15,799,930 | 17,505,571 | 18,000,000 |
| Financing: | | | |
| Unobligated balance brought forward----- | 13,557,702 | 15,164,546 | 16,158,975 |
| Receipts (cooperative work)----- | 17,406,774 | 18,500,000 | 19,000,000 |
| Unobligated balance carried forward----- | -15,164,546 | -16,158,975 | -17,158,975 |
| Total financing----- | 15,799,930 | 17,505,571 | 18,000,000 |

¹ Includes capital outlay as follows: 1959, \$9,302,486; 1960, \$10,920,000; 1961, \$11,420,000.

1. *Cooperative work.*—Advances, including deposits from purchasers of timber, are received and used for cooperative work in forest investigations, protection, and improvement of the national forests; and protection, reforestation, and administration of private lands adjacent to national forests (16 U.S.C. 498, 572, 572a, 576b, 581; 31 U.S.C. 725s).

2. *Miscellaneous contributed funds.*—Miscellaneous funds received from States, local organizations, individuals, and others are available for work under cooperative agreements (5 U.S.C. 67, 563).

3. *Technical services and other assistance, agricultural conservation program.*—For a part of fiscal year 1959 funds were advanced to the Forest Service from the agricultural conservation program appropriation on the basis of agreements with individual county agricultural stabilization and conservation committees for technical assistance in formulating and carrying out the forestry portion of the agricultural conservation cost-sharing programs in participating counties (71 Stat. 337; 16 U.S.C. 590k).

4. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1958, \$346,229; 1959, \$521,089; 1960, \$521,089; 1961, \$521,089.

Object Classification

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|-------------|---------------|---------------|
| FOREST SERVICE | | | |
| Total number of permanent positions----- | | | |
| Full-time equivalent of all other positions----- | 1,250 | 1,301 | 1,301 |
| Average number of all employees----- | 1,569 | 1,641 | 1,656 |
| Number of employees at end of year----- | 2,744 | 2,865 | 2,880 |
| Average GS grade and salary----- | 3,111 | 3,286 | 3,300 |
| Average salary of ungraded positions----- | 6.8 | \$5,583 | 6.9 |
| 01 Personal services: | \$4,455 | \$4,754 | 6.9 |
| Permanent positions----- | \$5,218,996 | \$5,577,175 | \$5,577,175 |
| Positions other than permanent----- | 5,169,932 | 5,382,072 | 5,432,072 |
| Other personal services----- | 199,507 | 207,485 | 216,753 |
| Total personal services----- | 10,588,435 | 11,166,732 | 11,226,000 |
| 02 Travel----- | 123,936 | 152,531 | 164,000 |
| 03 Transportation of things----- | 52,925 | 62,139 | 67,000 |
| 04 Communication services----- | 74,124 | 91,874 | 98,000 |
| 05 Rents and utility services----- | 131,585 | 151,148 | 162,000 |
| 06 Printing and reproduction----- | 13,480 | 13,500 | 15,000 |
| 07 Other contractual services----- | 979,965 | 1,162,184 | 1,405,675 |
| Services performed by other agencies----- | 1,230,460 | 1,388,660 | 1,401,000 |
| 08 Supplies and materials----- | 1,505,886 | 1,706,951 | 1,716,173 |
| 09 Equipment----- | 288,243 | 306,775 | 329,000 |
| 10 Lands and structures----- | 452,397 | 954,067 | 1,025,000 |
| 11 Grants, subsidies, and contributions----- | 378,021 | 440,384 | 473,000 |
| 13 Refunds, awards, and indemnities----- | 133,052 | 108,653 | 116,000 |
| 15 Taxes and assessments----- | 106,724 | 122,890 | 131,000 |
| Subtotal----- | 16,089,233 | 17,828,488 | 18,328,848 |
| Deduct quarters and subsistence charges----- | 312,319 | 322,917 | 328,848 |
| Total, Forest Service----- | 15,776,914 | 17,505,571 | 18,000,000 |
| ALLOCATION TO DEPARTMENT OF COMMERCE | | | |
| Total number of permanent positions----- | | | |
| Average number of all employees----- | 1 | 1 | 1 |
| Number of employees at end of year----- | 1 | 1 | 1 |
| Average GS grade and salary----- | 8.1 | \$6,598 | ----- |
| 01 Personal services: | ----- | ----- | ----- |
| Permanent positions----- | \$2,767 | ----- | ----- |
| Positions other than permanent----- | 63 | ----- | ----- |
| Other personal services----- | 707 | ----- | ----- |
| Total personal services----- | 3,537 | ----- | ----- |
| 02 Travel----- | 375 | ----- | ----- |
| 07 Other contractual services: Services performed by other agencies----- | 3,196 | ----- | ----- |
| 09 Equipment----- | 45 | ----- | ----- |
| 10 Lands and structures----- | 15,630 | ----- | ----- |
| 11 Grants, subsidies, and contributions----- | 180 | ----- | ----- |
| 13 Refunds, awards, and indemnities----- | 50 | ----- | ----- |
| 15 Taxes and assessments----- | 3 | ----- | ----- |
| Total, Department of Commerce----- | 23,016 | ----- | ----- |
| Total obligations----- | 15,799,930 | 17,505,571 | 18,000,000 |

DEPARTMENT OF COMMERCE

BUREAU OF THE CENSUS

SPECIAL STATISTICAL WORK

Program and Financing

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|-------------|---------------|---------------|
| Program by activities: | | | |
| 1. Special statistical studies: | | | |
| (a) Age and citizenship searches----- | \$691,009 | \$680,000 | \$660,000 |
| (b) Special statistical studies----- | 653,076 | 695,000 | 715,000 |
| 2. General administration----- | 121,909 | 125,000 | 125,000 |
| Total program costs----- | 1,495,994 | 1,500,000 | 1,500,000 |
| 3. Relation of costs to obligations: Costs financed from obligations of other years (unpaid undelivered orders), net (-)----- | -2,554 | ----- | ----- |
| Total program (obligations)----- | 1,493,440 | 1,500,000 | 1,500,000 |
| Financing: | | | |
| Unobligated balance brought forward----- | 459,715 | 335,645 | 100,000 |
| Receipts----- | 1,369,370 | 1,264,355 | 1,500,000 |
| Unobligated balances carried forward----- | -335,645 | -100,000 | -100,000 |
| Total financing----- | 1,493,440 | 1,500,000 | 1,500,000 |

INTRODUCTION TO PART IV

Part IV of the budget contains a limited number of special analyses of budget data, which supplement material appearing in other parts of the budget. Most of the analyses include explanatory material which expands and elaborates these introductory notes.

In addition to the special analyses appearing in this part of the budget document, the analyses listed below are being published separately and single copies of each may be obtained, upon request, from the Bureau of the Budget. The first two on the list are currently available; the others are expected to be available in about 10 days.

Federal Activities in Public Works and Other Construction.

Federal Research and Development Programs.

Federal Credit Programs.

Federal Aid to State and Local Governments.

Principal Federal Statistical Programs.

FEDERAL GOVERNMENT RECEIPTS FROM AND PAYMENTS TO THE PUBLIC

Special analysis A presents information on the flow of money between the public and the Federal Government as a whole, including both Federal funds and trust (and deposit) funds. In addition, certain transactions of five Government-sponsored enterprises are included. Major intragovernmental and noncash transactions are excluded in this consolidation. This analysis also presents a reconciliation with Treasury cash deposits and withdrawals as reported in the Daily Statement of the U.S. Treasury. The information here provides one measure of the impact of Government activities on the economy, and it serves as the basis for table 5 of part I, which summarizes the data for fiscal year 1961 only.

ANALYSIS OF BUDGET RECEIPTS

Special analysis B presents details on the budget receipts summarized in table 1 of part I. It includes a statement explaining the receipt estimates, together with a table giving a classification of receipts by source. Data for all 3 years is presented on the basis of a revised classification adopted in July 1959. The figures include receipts of both the general fund and the special funds. The text pertaining to taxes, customs, and refunds is prepared by the Treasury Department.

ANALYSIS OF THE BUDGET BY FUNCTION AND AGENCY

Special analysis C gives the details for the functional classification of new obligational authority and expenditures used in the budget message and in certain tables of part I. It is compiled by regrouping the figures found in the chapter summaries of part II. The code numbers listed in the chapter summaries are the key to the grouping found in this analysis.

CHARACTER ANALYSIS OF BUDGET EXPENDITURES

Special analysis D analyzes budget expenditures in terms of the duration and nature of the benefits derived.

Expenditures of an *investment* type are shown in two major categories—one for acquisition and improvement of Federal assets, and the other for developmental purposes such as additions to State, local, and private assets, and expenditures for research, education, and health. Expenditures yielding *current* benefits are also grouped in two major categories—one for aids and special services to various groups, and the other for the remaining current operating expenses. No adjustments are made for depreciation, obsolescence, allowances for potential losses on loans, and other items not reflected in current expenditure data.

FOREIGN CURRENCY AVAILABILITIES AND USES

Special analysis E presents information on the foreign currencies accruing to the United States without purchase with dollars, and the disposition of such currencies. It covers currencies both for "country uses" (grants to and loans in the country from which the currencies are obtained) and for "U.S. uses." For 1959 and 1960 currencies were in many cases made available to various agencies for U.S. uses without being reflected in the budget accounts; for 1961, it is proposed to adopt a system of budget control which will also automatically bring the transactions into the budget accounts. The special analysis coordinates and supplements the information presented elsewhere in the budget on this subject.

SELECTED INVESTMENTS AND INTERFUND TRANSACTIONS

Special analysis F sets forth certain investments and interfund transactions which are not reflected in the expenditures or receipts shown elsewhere in the budget. The first two groups of these are the investments by revolving and trust funds in U.S. Government securities (both Treasury issues and the securities of wholly owned Government enterprises), and the net borrowing or repayment of debt by wholly owned enterprises (other than their debt to the Treasury). The totals of these transactions, while not a part of budget expenditures or receipts, affect the financing requirements of the Government as a whole, and therefore are included in computations shown in table 4 of part I. The other group of transactions included in this table constitutes transfers by the revolving funds to the general fund, representing the return of capital and the distribution of earnings; such transfers are excluded from budget expenditures and budget receipts.

HISTORICAL COMPARISON OF BUDGET RECEIPTS AND EXPENDITURES

Special analysis G presents a 10-year comparison of budget receipts and expenditures. The receipts are classified by source and the expenditures by function. A technical note sets forth the change in classifications since the 1960 budget. As in special analysis C, the code numbers appearing in the chapter summaries of part II are the key to the grouping of items in the expenditure section of this analysis.

SPECIAL ANALYSIS A

FEDERAL GOVERNMENT RECEIPTS FROM AND PAYMENTS TO THE PUBLIC

The transactions of the Federal Government on a consolidated cash basis are expected to result in an excess of Federal receipts from the public of \$5.9 billion in the fiscal year 1961 as compared with an excess of payments of \$0.5 billion in the current year. This concept of Federal income and outgo is described in detail on pages 899-900 of this analysis. In general, in addition to consolidating budget, trust fund, and other transactions, it eliminates certain intragovernmental payments and transactions which do not represent cash flows between the Federal Government and the public.

The shift to an excess of receipts between 1960 and 1961 is explained primarily by the improved budget outlook, and also by the change to a net accumulation of trust fund receipts of \$1.3 billion in 1961, from an estimated excess of payments of \$0.8 billion in 1960. (For trust fund receipts and expenditures, see part III of this document, especially pp. 843-844.)

Receipts from the public are expected to rise to \$102.2 billion in 1961, which is \$7.4 billion higher than in the current fiscal year. Payments are estimated at \$96.3 billion, an increase of \$0.9 billion above the current fiscal year.

FEDERAL GOVERNMENT RECEIPTS FROM THE PUBLIC BY MAJOR SOURCE AND PAYMENTS TO THE PUBLIC BY MAJOR FUNCTION

EXCLUDES MAJOR INTRAGOVERNMENTAL AND NONCASH TRANSACTIONS

[In millions]

| Description | 1948 actual | 1949 actual | 1950 actual | 1951 actual | 1952 actual | 1953 actual | 1954 actual | 1955 actual | 1956 actual | 1957 actual | 1958 actual | 1959 actual | 1960 est. imate | 1961 est. imate |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------------|-----------------------|
| FEDERAL RECEIPTS FROM THE PUBLIC | | | | | | | | | | | | | | |
| Individual income taxes | \$19,305 | \$15,548 | \$15,745 | \$21,643 | \$27,913 | \$30,108 | \$29,542 | \$28,747 | \$32,188 | \$35,620 | \$34,724 | \$36,719 | \$40,306 | \$43,706 |
| Corporation income taxes | 9,678 | 11,195 | 10,448 | 14,106 | 21,225 | 21,238 | 21,101 | 17,861 | 20,880 | 21,167 | 20,074 | 17,309 | 22,200 | 23,500 |
| Excise taxes | 7,356 | 7,502 | 7,549 | 8,648 | 8,851 | 9,868 | 9,945 | 9,131 | 9,929 | 10,534 | 10,728 | 10,675 | 11,727 | 12,473 |
| Employment taxes | 2,388 | 2,476 | 2,881 | 3,928 | 4,563 | 4,980 | 5,423 | 6,217 | 7,294 | 7,578 | 8,641 | 8,850 | 11,055 | 12,665 |
| Estate and gift taxes | 890 | 780 | 698 | 708 | 818 | 881 | 934 | 924 | 1,161 | 1,365 | 1,393 | 1,333 | 1,470 | 1,620 |
| Customs | 403 | 367 | 407 | 609 | 533 | 596 | 542 | 585 | 682 | 735 | 782 | 925 | 1,176 | 1,376 |
| Deposits by States, unemployment insurance | 1,007 | 985 | 1,098 | 1,363 | 1,439 | 1,371 | 1,246 | 1,146 | 1,330 | 1,642 | 1,501 | 1,701 | 1,850 | 1,900 |
| Veterans life insurance premiums | 434 | 431 | 440 | 520 | 473 | 428 | 426 | 441 | 441 | 452 | 485 | 477 | 494 | 510 |
| Other budget and trust receipts | 3,895 | 2,293 | 1,673 | 1,865 | 2,196 | 2,027 | 2,468 | 2,783 | 3,183 | 3,115 | 3,565 | 3,671 | 4,518 | 4,427 |
| Total Federal receipts from the public | 45,357 | 41,576 | 40,940 | 53,390 | 68,012 | 71,498 | 71,626 | 67,835 | 77,087 | 82,106 | 81,892 | 81,660 | 94,796 | 102,178 |
| FEDERAL PAYMENTS TO THE PUBLIC | | | | | | | | | | | | | | |
| Major national security | 12,998 | 13,093 | 13,155 | 22,639 | 44,186 | 50,507 | 47,056 | 40,782 | 40,771 | 43,345 | 44,460 | 46,616 | 45,912 | 45,898 |
| International affairs and finance | 5,542 | 6,213 | 4,539 | 3,703 | 2,915 | 2,175 | 1,594 | 2,006 | 1,646 | 2,626 | 2,666 | 2,388 | 1,774 | 2,192 |
| Veterans services and benefits | 6,904 | 7,054 | 9,299 | 5,994 | 5,755 | 4,883 | 4,962 | 5,057 | 5,283 | 5,382 | 5,682 | 5,815 | 5,814 | 6,125 |
| Labor and welfare | 3,149 | 3,993 | 5,275 | 5,068 | 5,915 | 6,920 | 8,442 | 9,890 | 10,608 | 12,494 | 16,140 | 18,552 | 19,755 | 20,281 |
| Agriculture and agricultural resources | 531 | 2,532 | 2,848 | 628 | 1,129 | 2,949 | 2,596 | 4,403 | 4,983 | 4,603 | 4,320 | 6,996 | 5,135 | 5,475 |
| Natural resources | 755 | 1,062 | 1,220 | 1,279 | 1,377 | 1,487 | 1,330 | 1,217 | 1,123 | 1,324 | 1,570 | 1,698 | 1,820 | 1,970 |
| Commerce and housing | 449 | 1,407 | 1,795 | 2,346 | 2,148 | 2,327 | 2,19 | 1,449 | 2,186 | 3,138 | 2,996 | 6,859 | 7,105 | 5,565 |
| General government | 1,385 | 1,033 | 1,056 | 1,228 | 1,344 | 1,360 | 1,470 | 1,396 | 1,578 | 1,494 | 1,622 | 1,923 | 2,077 | 2,293 |
| Interest ¹ | 3,909 | 3,977 | 4,316 | 4,134 | 4,134 | 4,711 | 4,620 | 4,664 | 5,115 | 5,265 | 5,883 | 5,351 | 7,554 | 7,958 |
| Deposit funds, net ² | 73 | 463 | 77 | -544 | -160 | -471 | -115 | 57 | 229 | 225 | -97 | -3 | -135 | -111 |
| Allowance for contingencies | | | | | | | | | | | | 75 | 200 | |
| Expenditures by agencies, as employers, for Federal employees' retirement (-) ³ | | | | | | | | | | | | -586 | -756 | -724 |
| Deduction from Federal employees' salaries for retirement (-) | -236 | -327 | -358 | -378 | -411 | -420 | -430 | -439 | -574 | -644 | -666 | -751 | -724 | -724 |
| Increase (-) or decrease in clearing account for outstanding checks, etc. ⁴ | 507 | -366 | -483 | 214 | 401 | 250 | 115 | 55 | -335 | 753 | -579 | 116 | -99 | -95 |
| Adjustment to daily Treasury statement basis | 527 | 437 | 409 | -515 | -769 | 95 | | | | | | | | |
| Total Federal payments to the public | 36,493 | 40,570 | 43,147 | 45,797 | 67,963 | 76,772 | 71,859 | 70,537 | 72,616 | 80,007 | 83,412 | 94,804 | 95,338 | 96,257 |
| Excess of Federal payments to (-) or receipts from the public | 8,864 | 1,006 | -2,207 | 7,593 | 49 | -5,274 | -232 | -2,702 | 4,471 | 2,099 | -1,520 | -13,144 | -542 | 5,921 |

¹ Since 1954, includes adjustment for change in public debt interest checks, coupons, and accruals outstanding.

² Excludes deposit funds of Government-sponsored enterprises which are allocated by major function.

³ In 1957 and prior years the Government's payment as employer was made in a lump sum to the Civil Service Commission and was not included in any functional category as

a payment to the public. From 1958, the individual agency payments are included in the applicable functional category, but the total is deducted from payments in a lump sum.

⁴ Since 1954, excludes that part of clearing account which is for public debt interest checks, coupons, and accruals outstanding.

SPECIAL ANALYSIS A—Continued

FEDERAL GOVERNMENT RECEIPTS FROM AND PAYMENTS TO THE PUBLIC—Continued

Federal receipts from the public by major source and payments to the public by major function: 1948–61.—Since 1948, receipts from and payments to the public have both increased at a faster rate than budget receipts and expenditures, with the growth of existing trust fund programs accompanied by employment tax increases (particularly old-age and survivors insurance) and the creation of new trust funds (principally the Highway trust fund). Both receipts from and payments to the public in 1961 will be more than double the comparable amount in any of the years 1948–50.

Income taxes have provided most of the increase in receipts from the public, and have more than doubled since 1948. Individual income taxes in 1961 will have risen by \$24.4 billion and corporate income taxes by \$13.8 billion during this period. Employment tax receipts are estimated to be \$12.7 billion in 1961, over 5 times the 1948 level. This growth is accounted for by (1) increases in both the rates and income bases of these taxes, (2) the wider extension of social security coverage, and (3) generally higher incomes.

FEDERAL RECEIPTS FROM AND PAYMENTS TO THE PUBLIC COMPARED WITH BUDGET RECEIPTS AND EXPENDITURES FOR 1961

[Estimates. In millions]

| Description | Receipts from and payments to the public | Budget receipts and expenditures | Difference |
|---|--|----------------------------------|------------|
| Receipts: | | | |
| Individual income taxes..... | \$43,706 | \$43,706 | ----- |
| Corporation income taxes..... | 23,500 | 23,500 | ----- |
| Excise taxes..... | 12,473 | 9,523 | \$2,950 |
| Employment taxes..... | 12,665 | 340 | 12,325 |
| Estate and gift taxes..... | 1,620 | 1,620 | ----- |
| Customs..... | 1,376 | 1,376 | ----- |
| Other receipts..... | 6,838 | 3,935 | 2,903 |
| Total receipts..... | 102,178 | 84,000 | 18,178 |
| Payments: | | | |
| Major national security..... | 45,898 | 45,568 | 330 |
| International affairs and finance..... | 2,192 | 2,242 | -50 |
| Veterans services and benefits..... | 6,125 | 5,471 | 654 |
| Labor and welfare..... | 20,281 | 4,569 | 15,712 |
| Agriculture and agricultural resources..... | 5,475 | 5,623 | -148 |
| Natural resources..... | 1,970 | 1,938 | 32 |
| Commerce and housing..... | 5,565 | 2,709 | 2,856 |
| General government..... | 2,293 | 1,911 | 382 |
| Interest..... | 7,958 | 9,585 | -1,627 |
| Allowance for contingencies..... | 200 | 200 | ----- |
| Undistributed..... | -1,700 | ----- | -1,700 |
| Total payments..... | 96,257 | 79,816 | 16,441 |
| Excess of receipts..... | 5,921 | 4,184 | 1,737 |

With two exceptions, payments for each major governmental function will be higher in 1961 than in 1948. The exceptions are international affairs and finance, and veterans services and benefits; and in both of these cases expenditures in 1948 were very high because of special post-World War II conditions. In absolute amounts, the largest increases since 1948 are \$32.9 billion for major national security, and \$17.1 billion for labor and welfare.

The largest relative changes since 1948 are for commerce and housing programs and for agriculture and agricultural resources. Outlays for commerce and housing programs (including highways) in 1961 are estimated to be 12 times the 1948 total, while payments for agriculture will have increased 10 times from the exceptionally low 1948 amount.

Comparison with the budget.—The estimated excess of receipts from the public in 1961 exceeds the budget surplus primarily because trust fund receipts exceed trust fund expenditures. A much smaller contributing factor will be the expected unpaid interest accruals on savings bonds, which are included in budget expenditures but not in cash payments. As in the budget, income taxes provide the largest portion of receipts from the public, and payments to the public for major national security exceed payments for any other function.

Federal payments to the public for commerce and housing exceed comparable budget totals considerably, primarily because of the expenditures from the Highway trust fund. Payments for labor and welfare also exceed budget totals substantially, because of the benefit payments of the social security trust funds. On the other hand, cash payments to the public for interest are considerably smaller than budget outlays, mainly because a large amount of interest on the public debt is paid by the Treasury to trust funds on their holdings of public debt securities, and does not go to the public directly.

Federal net cash borrowing from the public.—The amount of Federal net cash borrowing from the public (or net repayment of such borrowing) is determined primarily by the excess of payments to (or receipts from) the public, and also varies with changes made in the Treasury's cash balances. Receipts from the exercise of monetary authority, not included in receipts from the public, provide a relatively small additional amount of available revenue.

FEDERAL GOVERNMENT NET CASH BORROWING FROM THE PUBLIC

[In millions]

| Description | 1959 actual | 1960 estimate | 1961 estimate |
|--|-------------|---------------|---------------|
| Excess of Federal payments to (−) or receipts from the public..... | -\$13,144 | -\$542 | \$5,921 |
| Receipts from exercise of monetary authority..... | 44 | 40 | 48 |
| Increase (−) or decrease in cash balances..... | 4,422 | 88 | ----- |
| Federal cash borrowing (−) or repayment of cash borrowing..... | -8,678 | -414 | 5,969 |

The figures shown in the preceding table for net cash borrowing from the public include not only the change in the amount of publicly held U.S. Government securities issued by the Treasury, but also the change in securities of various kinds issued to the public by other Government agencies and by Government-sponsored enterprises. Changes in the public debt that do not represent direct cash borrowing or repayment of borrowing from the public are excluded. Major examples of such noncash debt transactions are the issuance of U.S. Government notes and securities to the International Monetary Fund and

SPECIAL ANALYSIS A—Continued

FEDERAL GOVERNMENT RECEIPTS FROM AND PAYMENTS TO THE PUBLIC—Continued

to the trust funds, which hold about one fifth of the public debt.

CHANGE IN PUBLIC DEBT RECONCILED WITH FEDERAL GOVERNMENT NET CASH BORROWING FROM THE PUBLIC

[In millions]

| Description | 1959 actual | 1960 estimate | 1961 estimate |
|--|-------------|---------------|---------------|
| Increase (—) or decrease in public debt ¹ — | —\$8,363 | \$206 | \$4,500 |
| Cashings of (—) or investments in U.S. securities, net: | | | |
| Trust funds ² | —1,215 | 208 | 1,769 |
| Public enterprise funds..... | 102 | 161 | 185 |
| Government-sponsored enterprises..... | —68 | 258 | 240 |
| Increase (—) or decrease in obligations of Government enterprises held by the public, net: | | | |
| Trust funds ² | —67 | —980 | —800 |
| Public enterprise funds..... | —3 | —5 | —106 |
| Government-sponsored enterprises..... | —1,222 | —885 | 57 |
| Decrease (—) or increase in public debt from noncash adjustments, net ³ | 2,160 | 623 | 124 |
| Federal cash borrowing (—) or repayment of cash borrowing..... | —8,678 | —414 | 5,969 |

¹ From table 4 in part I of this document.² Includes the Federal National Mortgage Association secondary market operations and (until Jan. 1, 1959) the Federal intermediate credit banks.³ Includes accrued interest and noncash adjustments other than the change in the clearing account.

Coverage.—This analysis presents information on the flow of money between the public and the Federal Government as a whole, representing, in effect, a consolidated cash statement of Federal transactions—other than borrowing—with the public. For purposes of this analysis, the public is defined to include individuals, banks, other private corporations and associations, unincorporated businesses, the Federal Reserve System, the Postal Savings System, State and local governments, foreign governments, and international organizations. Included in consolidated cash receipts and expenditures are the transactions of trust and deposit funds (which are not fully owned by the Federal Government), and net expenditures of Government-sponsored enterprises, as well as the Federal funds included in budget receipts and expenditures. (For a description of the differences between budget, trust, and other types of funds, see the introductions to part I and part III, pp. 1 and 841.) In consolidating these funds, major intragovernmental transactions which are reported as both expenditures and receipts are eliminated. Transactions so eliminated are: (1) Payments between Federal funds, such as interest paid to the general fund by the Commodity Credit Corporation on its borrowing from the Treasury; (2) payments between Federal funds and trust funds, such as interest paid to the Unemployment trust fund by the general fund on its holdings of public debt securities; and (3) payments between trust funds, such as payments by the Old-age and survivors insurance fund to the Railroad retirement account.

Receipts of the Government from the exercise of monetary authority (mainly seigniorage) do not represent cash received from the public and are therefore deducted in making this consolidation. The bulk of these receipts represent the difference between acquisition cost to the Treasury and the monetary value of silver and other metals minted into coins.

DERIVATION OF FEDERAL GOVERNMENT RECEIPTS FROM AND PAYMENTS TO THE PUBLIC

[In millions]

| Description | 1959 actual | 1960 estimate | 1961 estimate |
|--|-------------|---------------|---------------|
| FEDERAL RECEIPTS FROM THE PUBLIC | | | |
| Budget receipts ¹ | \$68,270 | \$78,600 | \$84,000 |
| Trust fund receipts ² | 17,084 | 20,696 | 22,547 |
| Less— | | | |
| Intragovernmental transactions..... | 3,650 | 4,460 | 4,321 |
| Receipts from exercise of monetary authority..... | 44 | 40 | 48 |
| Equals: Federal receipts from the public..... | 81,660 | 94,796 | 102,178 |
| FEDERAL PAYMENTS TO THE PUBLIC | | | |
| Budget expenditures ¹ | 80,697 | 78,383 | 79,816 |
| Trust fund expenditures ² | 18,597 | 21,510 | 21,278 |
| Government-sponsored enterprise expenditures, net..... | 1,290 | 627 | —297 |
| Less— | | | |
| Intragovernmental transactions..... | 3,650 | 4,460 | 4,321 |
| Accrued interest and other noncash expenditures, net..... | 2,131 | 722 | 219 |
| Equals: Federal payments to the public..... | 94,804 | 95,338 | 96,257 |
| Excess of Federal payments to (—) or receipts from the public..... | —13,144 | —542 | 5,921 |

¹ From table 1 in part I of this document.² From table 10 in part III of this document.

This analysis also includes on a net basis the estimated expenditures of five Government-sponsored enterprises which are exempt from the budgeting requirements of the Government Corporation Control Act of 1945, as amended—The Federal Deposit Insurance Corporation; the Federal home loan banks; the Federal land banks; the banks for cooperatives; and since January 1, 1959, the Federal intermediate credit banks. The expenditures of these enterprises are estimated from their security transactions in the following manner: both net investment by an enterprise in U.S. securities and net redemption by the enterprise of its own obligations are used as a measure of net receipts from operations; net cashing by the enterprise of U.S. securities and net sales of its own obligations are used as a measure of net expenditures. Also included on a net basis in this analysis, but as part of trust fund expenditures, are the transactions of the Federal National Mortgage Association secondary market operations (a mixed-ownership enterprise).

Budget expenditures are for the most part on a "checks issued" basis but also include a few noncash transactions of three types, as described later in this paragraph. In calculating total Federal payments to the public, these noncash items are excluded. On the other hand, actual cash outlays are included in payments to the public even though they are not part of budget expenditures for the year in question. The three main transactions of this type are: (1) U.S. securities issued in payment of obligations and the redemption of these securities for cash at a later date. This is the case with the U.S. Treasury notes used to pay the U.S. subscription to the International Monetary Fund in 1959—notes which will be redeemed in later years as the International Monetary Fund needs the

SPECIAL ANALYSIS A—Continued

FEDERAL GOVERNMENT RECEIPTS FROM AND PAYMENTS TO THE PUBLIC—Continued

money; (2) interest on savings bonds, which is a budget expenditure at the time of accrual and a payment to the public when the bonds are redeemed; and (3) net changes in the clearing accounts for outstanding checks and similar items. In any given year the aggregate of the accruals may be larger or smaller than total disbursements for previously accrued items.

Use and limitations.—Because the totals of Federal Government receipts from and payments to the public are more comprehensive than the budget totals, they are of particular importance in evaluating the impact of Federal transactions on the economy. For example, Federal receipts from the public classified by source indicate the sectors of the economy or the kinds of transactions other than borrowing which provide funds for the Government. Federal payments to the public by function indicate the relative importance of the major Government programs in terms of total cash outlays. The excess of receipts from the public or payments to the public tends to reflect the net impact of Federal financial transactions on the income of the public as a whole.

Federal receipts from and payments to the public tend to underestimate the scope of Federal transactions, because the totals include only the net expenditures of wholly owned and of Government-sponsored enterprises. Receipts from operations of these enterprises, such as postal receipts or interest on and repayment of loans, are deducted from disbursements, such as postal expenditures or new loans, in measuring net expenditures. Since this netting reduces receipts and payments by equal amounts, the excess of Federal receipts from or payments to the public is not affected.

This measure of Federal transactions differs from the national income account treatment in two major respects—coverage and timing. With respect to coverage, capital (financing) transactions, such as loans and loan repayments and sales and purchases of existing assets, are excluded from receipts and expenditures on national income and product account but are included in the consolidated cash statement. With respect to timing, the national account treatment records many transactions on an accrual basis, while in cash receipts from and payments to the public an effort is made to record only cash transactions.

Users of the data in this analysis should recognize that no single measure can describe completely the economic impact of the Federal Government. Since the various receipt and expenditure transactions have different economic effects, a given aggregate will have an economic impact which depends on the composition of the total. In addition, many Government activities besides receipts and expenditures have a bearing on the economy. For example, a rapid expansion in new appropriations and in Government orders could stimulate a rise in business activity long before the authorized funds were paid to the public. Likewise, the enactment of a tax measure or even the expectation of a change in tax rates may affect business planning or activity well before the cash flows between the Federal Government and the public occur. Federal guarantees and insurance of private loans may also affect activity in the economy, even though they normally entail relatively small Government expenditures. Aside from the significance of interest payments to the public, the management of the public debt is a further important factor which has particular impact in the money and credit markets of the economy.

Reconciliation with Treasury cash deposits and withdrawals.—The daily statement of the Treasury presents a consolidated cash statement of Treasury operating transactions similar in general concept to Federal receipts from and payments to the public. However, it is limited in coverage to those transactions affecting the accounts of the Treasurer of the United States.

RECONCILIATION OF FEDERAL GOVERNMENT RECEIPTS FROM THE PUBLIC WITH TREASURY CASH DEPOSITS
[In millions]

| Description | 1959 actual | 1960 estimate | 1961 estimate |
|--|-------------|---------------|---------------|
| Federal receipts from the public..... | \$81,660 | \$94,796 | \$102,178 |
| Receipts from exercise of monetary authority..... | 44 | 40 | 48 |
| Net difference in actual year due to reporting method..... | -93 | | |
| Equals: Treasury cash deposits..... | 81,612 | 94,836 | 102,226 |

RECONCILIATION OF FEDERAL GOVERNMENT PAYMENTS TO THE PUBLIC WITH TREASURY CASH WITHDRAWALS
[In millions]

| Description | 1959 actual | 1960 estimate | 1961 estimate |
|---|-------------|---------------|---------------|
| Federal payments to the public..... | \$94,804 | \$95,338 | \$96,257 |
| Less— | | | |
| Payments to the public not reflected in accounts of the Treasurer of the United States (net): | | | |
| From cash held outside Treasury ¹ | 23 | 88 | |
| From proceeds of sales in the market of agency obligations and U.S. securities ² | 646 | | |
| Net difference in actual year due to reporting method..... | -93 | | |
| Equals: Cash withdrawals from Treasury..... | 94,042 | 95,250 | 96,257 |

¹ Represents increase (—) or decrease in Government agencies' balances outside Treasury.

² Includes only net sales by Government agencies and trust funds which were not reflected in the accounts of the Treasurer of the United States.

Receipts from exercise of monetary authority, since they constitute funds available to the Treasurer, are included in Treasury cash deposits.

The adjustment "net difference in actual year due to reporting method," which appears in both preceding reconciliation tables, is necessary because of the method used by the Treasury in reconciling its accounts for checks being cleared and the corresponding adjustment made in the preparation of the receipts from and payments to the public data. This adjustment is applied to payments instead of adjusting receipts and payments separately, and is used to change the Treasury "checks issued" data to a "checks paid" basis.

A further adjustment is necessary in the reconciliation of "payments" with "withdrawals" since the concept of payments to the public is more inclusive than Treasury cash withdrawals and includes payments by Government agencies from their own cash balances or from accounts in commercial banks. These payments are measured by net changes in cash held outside the Treasury and by net proceeds realized by Government agencies and trust funds from sales of securities in the open market that were not reflected in the Treasurer's account.

NOTE.—A detailed reconciliation of the differences between the budget totals, Federal Government receipts from and payments to the public, and Treasury cash deposits and withdrawals is available on request from the Bureau of the Budget.

SPECIAL ANALYSIS B
ANALYSIS OF BUDGET RECEIPTS

Estimates based on existing and proposed legislation

This special analysis provides supporting detail for the figures on budget receipts by source which are included in the tables of the budget message and in table 1 of part I.

The estimates of receipts from taxes and customs for the current and coming fiscal years are prepared by the Treasury Department. In general, the estimates of miscellaneous receipts are prepared by the agencies depositing these receipts in the Treasury.

The estimates are based on the assumption of a continued rise in the level of economic activity through the period underlying fiscal year 1961 receipts. The revenue estimates are consistent with an increase in the gross national product from about \$480 billion in calendar year 1959 to about \$510 billion in calendar year 1960. It is also assumed for fiscal year 1961 that legislation will be enacted extending present corporation income and excise tax rates for a year beyond June 30, 1960; that aviation gas taxes will be increased and a new tax imposed on jet fuels, and both credited to the general fund; and that adequate fees and charges will be established for special services or benefits, as recommended by the President.

Detailed estimates of budget receipts under both existing and proposed legislation are contained on pages 904 to 906.

BUDGET RECEIPTS

Receipts in the fiscal year 1959 were adversely affected by the 1957-58 recession. The recovery and growth in business activity and profits which commenced in the middle of calendar year 1958 are expected to result in an increase of \$10.3 billion in receipts in the fiscal year 1960 as compared to 1959 and a further rise in receipts of \$5.4 billion for 1961. The amounts estimated for 1960 and 1961—\$78.6 billion and \$84 billion, respectively—are substantially higher than the level attained in any past year.

RECEIPTS BY MAJOR SOURCES

Actual receipts for 1959 and estimated receipts for 1960 and 1961 are compared by major sources in the following table. The amount shown for each receipt source is the net amount after deduction of refunds and transfers to trust funds.

Net budget receipts

[In millions]

| Source | 1959 actual | 1960 estimate | 1961 estimate | Increase (+) or de- crease (-), 1961 over 1960 |
|-------------------------------------|----------------|------------------|------------------|--|
| Individual income taxes..... | \$36,719 | \$40,306 | \$43,706 | +\$3,400 |
| Corporation income taxes..... | 17,309 | 22,200 | 23,500 | +1,300 |
| Excise taxes..... | 8,504 | 9,100 | 9,523 | +423 |
| Employment taxes..... | 321 | 333 | 340 | +7 |
| Estate and gift taxes..... | 1,333 | 1,470 | 1,620 | +150 |
| Taxes not otherwise classified..... | 5 | 5 | 5 | - |
| Customs..... | 925 | 1,176 | 1,376 | +200 |
| Miscellaneous receipts..... | 3,155 | 4,010 | 3,930 | -80 |
| Net budget receipts..... | 68,270 | 78,600 | 84,000 | +5,400 |

The individual income tax is estimated to remain, by far, the most important tax source in 1960 and 1961. Revenues from individual income taxes are about double the corporation income tax; together, the two income taxes are estimated to account for 80% of receipts in 1961.

Substantial increases are estimated for all major tax sources for the fiscal year 1961, with the largest share of the increase provided by the individual income tax. Another significant increase is provided by the corporation income tax.

Individual income taxes.—Individual income tax receipts are estimated to increase by \$3.4 billion in fiscal year 1961. The rise of \$7 billion in receipts from this source since 1959 reflects the growth in personal income which was resumed in mid-1958 and is estimated to continue through the fiscal year 1961.

Corporation income taxes.—Receipts from corporation income taxes in each fiscal year are determined primarily by corporate profits of the calendar year ending in the fiscal year. Thus, receipts in fiscal year 1960 largely reflect calendar year 1959 profits and receipts in fiscal year 1961, calendar year 1960 profits. Substantial gains have been reported for profits following the depressed first half of calendar year 1958. Although restrained somewhat by the steel strike in the fall, profits for calendar year 1959 will average substantially above those for calendar year 1958. As a result, corporation income tax receipts are estimated to rise from \$17.3 billion in 1959 to \$22.2 billion in 1960. It is expected that profits will show a further rise for calendar year 1960 as compared with calendar year 1959 and will result in a rise of \$1.3 billion in corporation income taxes to a total of \$23.5 billion for 1961.

Comparisons of receipts in these years are affected by (1) the completion with fiscal year 1960 of the accelerated schedule of corporation income tax payments, and (2) the postponement from June to September 1959 of the payment of a substantial portion of life insurance liabilities for calendar year 1958 as a result of the Life Insurance Company Income Tax Act of 1959.

Excise taxes.—The yield of the excise taxes is shown in the following table:

Excise tax receipts

[In millions]

| Source | 1959 actual | 1960 estimate | 1961 estimate | Increase (+) or de- crease (-), 1961 over 1960 |
|--|----------------|------------------|------------------|--|
| Alcohol taxes..... | \$3,002 | \$3,142 | \$3,243 | +\$101 |
| Tobacco taxes..... | 1,807 | 1,892 | 1,957 | +65 |
| Taxes on documents, other instruments, and playing cards..... | 134 | 138 | 143 | +5 |
| Manufacturers' excise taxes..... | 3,959 | 4,821 | 5,332 | +511 |
| Retailers' excise taxes..... | 356 | 377 | 395 | +18 |
| Miscellaneous excise taxes..... | 1,436 | 1,395 | 1,487 | +92 |
| Undistributed depositary receipts and unapplied collections..... | 66 | 46 | - | -46 |
| Gross excise taxes..... | 10,760 | 11,811 | 12,557 | +746 |
| Deduct— | | | | |
| Refunds of receipts..... | 84 | 84 | 84 | - |
| Transfer to Highway trust fund..... | 2,171 | 2,627 | 2,950 | +323 |
| Net excise taxes..... | 8,504 | 9,100 | 9,523 | +423 |

Gross excise tax receipts are estimated to increase \$1,051 million in 1960 and to rise further by \$746 million in 1961. However, receipts transferred to the Highway trust fund are estimated to increase by \$456 million in 1960 and by \$323 million in 1961. Consequently, the increase

SPECIAL ANALYSIS B—Continued

ANALYSIS OF BUDGET RECEIPTS—Continued

Estimates based on existing and proposed legislation—Continued

in net excise taxes remaining as general fund receipts is reduced to \$596 million in 1960 and \$423 million in 1961.

Receipts transferred to the Highway trust fund will be augmented in 1960 and 1961 by an estimated increase in sales of taxable products, but the major reason for the much higher transfers is the increase of 1 cent per gallon in the tax rates on gasoline and diesel fuel effective October 1, 1959, and continuing until June 30, 1961. The increase in rates affects year-to-year comparisons since it is only partly effective in 1960 but fully operative in 1961. The amount transferred in 1961 is reduced by the retention in general fund receipts of the revenue from the tax on aviation gasoline under proposed legislation.

Net excise tax receipts in 1960 and 1961 are expected to increase because of the much higher volume of sales of taxable goods and services estimated to accompany higher consumer incomes. The increase is much larger for 1960 than for 1961 primarily because of the difference in the rate of increase in receipts from the tax on passenger automobiles. Receipts from this tax in 1960 are estimated to increase \$346 million because of the sharp rise in production from the reduced level in the calendar year 1958. In 1961, a much more moderate increase of \$65 million in receipts from this tax is estimated. However, increases in 1960 are generally greater than in 1961 because receipts in 1959 were adversely affected by the leveling off of personal incomes which lasted for about 1 year until the middle of the calendar year 1958.

Part of the rise in sales of excise receipts which is estimated to occur in 1960 because of the rise in taxable goods and services is offset by the effect of the repeal of taxes on the transportation of property and oil by pipeline.

The estimate for excise tax receipts in 1961 includes the effect of the proposed legislation for aviation fuels. Under this proposal receipts from the tax on aviation gasoline will be credited to the general fund, the net rate will be increased from 2 to 4½ cents per gallon, and a new tax at the 4½-cent rate will be imposed on jet fuel.

Employment taxes.—Receipts from the Federal Insurance Contributions Act and the Self-Employment Contributions Act are estimated to increase by \$2,088 million in 1960 and \$1,573 million in 1961. These increases are expected to occur partly because of growing levels of taxable wages, but principally because of changes in law effective January 1, 1959, and January 1, 1960. The January 1, 1959, changes consisted of an increase of one-fourth of 1% each in the tax rate on employers and employees and an increase in the maximum amount taxable from \$4,200 to \$4,800. These changes were partially reflected, therefore, in fiscal year 1959 receipts but fully reflected in fiscal year 1960 receipts. A further increase

of one-half of 1% each on employers and employees was effective on January 1, 1960, partially affecting 1960 receipts but wholly effective in fiscal year 1961.

Increases in fiscal years 1960 and 1961 are also estimated for receipts from the Railroad Retirement Tax Act and the Federal Unemployment Tax Act.

The yield of the employment taxes is shown in the following table:

Employment tax receipts

[In millions]

| Source | 1959 actual | 1960 estimate | 1961 estimate | Increase (+) or de- crease (-) 1961 over 1960 |
|--|----------------|------------------|------------------|---|
| Federal Insurance Contributions Act and Self-Employment Contribu- tions Act----- | \$8,004 | \$10,092 | \$11,665 | +\$1,573 |
| Railroad Retirement Tax Act----- | 525 | 630 | 660 | +30 |
| Federal Unemployment Tax Act----- | 324 | 335 | 342 | +7 |
| Gross employment taxes----- | 8,854 | 11,057 | 12,667 | +1,610 |
| Deduct— | | | | |
| Refunds of receipts----- | 3 | 2 | 2 | ----- |
| Transfers to— | | | | |
| Federal old-age and survivors insurance trust fund----- | 7,158 | 9,164 | 10,693 | +1,529 |
| Federal disability insurance trust fund----- | 847 | 928 | 972 | +44 |
| Railroad retirement account----- | 525 | 630 | 660 | +30 |
| Net employment taxes----- | 321 | 333 | 340 | +7 |

Estate and gift taxes.—Receipts from the estate and gift taxes are expected to increase by about the same amounts in fiscal years 1960 and 1961. Because of the length of time after date of death permitted in the filing of estate tax returns, and because estate taxes represent the bulk of these receipts, the income from this source does not immediately reflect changes in security and other asset values.

Customs.—Customs receipts are estimated to increase appreciably in both 1960 and 1961 as taxable imports rise with expanded business activity.

Miscellaneous receipts.—The estimated increase of \$855 million in 1960 is attributable for the most part to larger collections of interest on loans and of dividends and other earnings. Because of the nonrecurring nature of some of the collections in 1960, a small decrease is forecast for 1961. The 1961 estimate includes amounts under proposed legislation to increase charges for government services which provide special benefits to identifiable individuals or groups.

SPECIAL ANALYSIS B—Continued

ANALYSIS OF BUDGET RECEIPTS—Continued

Estimates based on existing and proposed legislation—Continued

REFUNDS

The net budget receipts by source in the first table of this analysis are shown after deduction of transfers to trust funds and refunds of receipts. Details on the transfers to trust funds are shown in the preceding tables on excise and employment tax receipts. Refunds of receipts are summarized in the following table:

*Refunds of receipts
[In millions]*

| Type | 1959 actual | 1960 estimate | 1961 estimate | Increase (+) or de- crease (-), 1961 over 1960 |
|-------------------------------------|----------------|------------------|------------------|--|
| Individual income taxes..... | \$4,016 | \$4,394 | \$4,694 | +\$300 |
| Corporation income taxes..... | 782 | 800 | 800 | ----- |
| Excise taxes..... | 84 | 84 | 84 | ----- |
| Employment taxes..... | 3 | 2 | 2 | ----- |
| Estate and gift taxes..... | 20 | 30 | 30 | ----- |
| Taxes not otherwise classified..... | 1 | 1 | 1 | ----- |
| Customs..... | 23 | 24 | 24 | ----- |
| Miscellaneous receipts..... | 3 | 3 | 2 | -1 |
| Total refunds of receipts..... | 4,933 | 5,337 | 5,637 | +\$300 |

Budget receipts by source before deduction of refunds of receipts and transfers to trust funds are shown below:

*Budget receipts by source before deducting transfers to trust funds and
refunds of receipts*

[In millions]

| Source | 1959 actual | 1960 estimate | 1961 estimate | Increase (+) or de- crease (-), 1961 over 1960 |
|-------------------------------------|----------------|------------------|------------------|--|
| Individual income taxes..... | \$40,735 | \$44,700 | \$48,400 | +\$3,700 |
| Corporation income taxes..... | 18,092 | 23,000 | 24,300 | +1,300 |
| Excise taxes..... | 10,760 | 11,811 | 12,557 | +746 |
| Employment taxes..... | 8,854 | 11,057 | 12,667 | +1,610 |
| Estate and gift taxes..... | 1,353 | 1,500 | 1,650 | +150 |
| Taxes not otherwise classified..... | 5 | 6 | 6 | ----- |
| Customs..... | 948 | 1,200 | 1,400 | +200 |
| Miscellaneous receipts..... | 3,158 | 4,013 | 3,932 | -81 |
| Subtotal..... | 83,904 | 97,286 | 104,912 | +7,626 |
| Deduct— | | | | |
| Refunds of receipts..... | 4,933 | 5,337 | 5,637 | +300 |
| Transfers to trust funds..... | 10,701 | 13,349 | 15,275 | +1,926 |
| Net budget receipts..... | 68,270 | 78,600 | 84,000 | +5,400 |

SPECIAL ANALYSIS B—Continued

BUDGET RECEIPTS

BY SOURCE

Estimates based on existing and proposed legislation

[In thousands]

| Source | 1959 actual | 1960 estimate | 1961 estimate | Source | 1959 actual | 1960 estimate | 1961 estimate |
|--|--------------|---------------|---------------|--|-------------|---------------|---------------|
| Individual income taxes: | | | | Excise taxes—Continued | | | |
| Withheld..... | \$29,001,375 | \$32,100,000 | \$35,200,000 | Manufacturers' excise taxes—Continued | | | |
| Other..... | 11,733,369 | 12,600,000 | 13,200,000 | Under existing legislation—Continued | | | |
| Gross individual income taxes..... | 40,734,744 | 44,700,000 | 48,400,000 | Electric, gas, and oil appliances..... | \$62,373 | \$69,000 | \$72,000 |
| Less refunds..... | 4,016,080 | 4,394,000 | 4,694,000 | Electric light bulbs..... | 29,401 | 33,000 | 36,000 |
| Net individual income taxes..... | 36,718,664 | 40,306,000 | 43,706,000 | Radio and television receiving sets, phonographs, phonograph records, and musical instruments..... | 187,697 | 223,000 | 239,000 |
| Corporation income taxes: | | | | Mechanical refrigerators, quick freeze units, and self-contained air-conditioning units..... | 40,593 | 48,000 | 52,000 |
| Under existing legislation..... | 18,091,509 | 23,000,000 | 23,100,000 | Business and store machines..... | 93,894 | 100,000 | 108,000 |
| Under proposed legislation..... | | | 1,200,000 | Photographic equipment..... | 24,288 | 26,000 | 28,000 |
| Gross corporation income taxes under existing and proposed legislation..... | 18,091,509 | 23,000,000 | 24,300,000 | Matches..... | 5,262 | 5,000 | 5,000 |
| Less refunds..... | 782,465 | 800,000 | 800,000 | Sporting goods, including fishing rods, creels, etc..... | 17,265 | 19,000 | 21,000 |
| Net corporation income taxes under existing and proposed legislation..... | 17,309,044 | 22,200,000 | 23,500,000 | Firearms, shells and cartridges..... | 13,909 | 15,000 | 16,000 |
| Excise taxes: | | | | Pistols and revolvers..... | 2,028 | 2,000 | 2,000 |
| Alcohol taxes: | | | | Fountain and ball-point pens, mechanical pencils..... | 8,444 | 9,000 | 9,000 |
| Under existing legislation: | | | | | | | |
| Distilled spirits (domestic and imported)..... | 2,098,496 | 2,220,000 | 2,152,000 | Total manufacturers' excise taxes under existing legislation..... | 3,958,789 | 4,821,000 | 4,874,000 |
| Beer..... | 767,205 | 785,000 | 709,000 | Under proposed legislation..... | | | 458,000 |
| Rectification tax..... | 22,037 | 21,000 | 21,000 | | | | |
| Wines (domestic and imported)..... | 90,918 | 91,000 | 84,000 | Total manufacturers' excise taxes under existing and proposed legislation..... | 3,958,789 | 4,821,000 | 5,332,000 |
| Special taxes in connection with liquor occupations..... | 23,440 | 25,000 | 25,000 | | | | |
| Total alcohol taxes under existing legislation..... | 3,002,096 | 3,142,000 | 2,991,000 | Retailers' excise taxes: | | | |
| Under proposed legislation..... | | | 252,000 | Jewelry..... | 156,382 | 163,000 | 168,000 |
| Total alcohol taxes under existing and proposed legislation..... | 3,002,096 | 3,142,000 | 3,243,000 | Furs..... | 29,909 | 31,000 | 32,000 |
| Tobacco taxes: | | | | Toilet preparations..... | 107,968 | 120,000 | 130,000 |
| Under existing legislation: | | | | Luggage, handbags, wallets, etc..... | 61,468 | 63,000 | 65,000 |
| Cigarettes (small)..... | 1,738,045 | 1,825,000 | 1,672,000 | Total retailers' excise taxes..... | 355,728 | 377,000 | 395,000 |
| Manufactured tobacco (chewing, smoking, and snuff)..... | 16,916 | 16,500 | 16,000 | | | | |
| Cigars (large)..... | 50,696 | 49,700 | 50,200 | Miscellaneous excise taxes: | | | |
| Cigarette papers and tubes..... | 749 | 700 | 700 | Under existing legislation: | | | |
| All other..... | 410 | 100 | 100 | Toll telephone service, telegraph and teletypewriter service, wire mileage service, etc..... | 292,412 | 319,000 | 335,000 |
| Total tobacco taxes under existing legislation..... | 1,806,816 | 1,892,000 | 1,739,000 | General telephone service..... | 398,023 | 435,000 | 113,000 |
| Under proposed legislation..... | | | 218,000 | Transportation of oil by pipeline..... | 7,962 | | |
| Total tobacco taxes under existing and proposed legislation..... | 1,806,816 | 1,892,000 | 1,957,000 | Transportation of persons..... | 227,044 | 246,000 | 155,000 |
| Taxes on documents, other instruments, and playing cards: | | | | Transportation of property..... | 143,250 | 3,000 | |
| Issues of securities, stock and bond transfers, and deeds of conveyance..... | 126,225 | 130,200 | 135,200 | Diesel fuel, including special motor fuels..... | 52,528 | 81,000 | 93,000 |
| Playing cards..... | 7,558 | 7,700 | 7,700 | Use tax on certain vehicles..... | 32,532 | 36,000 | 38,000 |
| Silver bullion sales or transfers..... | 34 | 100 | 100 | Admissions, exclusive of cabarets, roof gardens, etc..... | 49,977 | 35,000 | 35,000 |
| Total taxes on documents, other instruments, and playing cards..... | 133,817 | 138,000 | 143,000 | Cabarets, roof gardens, etc..... | 45,117 | 47,000 | 49,000 |
| Manufacturers' excise taxes: | | | | Wagering taxes, including occupational taxes..... | 6,787 | 7,000 | 7,000 |
| Under existing legislation: | | | | Club dues and initiation fees..... | 64,813 | 67,000 | 70,000 |
| Gasoline..... | 1,700,253 | 2,075,000 | 2,404,000 | Leases of safe deposit boxes..... | 6,142 | 6,000 | 6,000 |
| Lubricating oils..... | 73,685 | 78,000 | 80,000 | Coconut and other vegetable oils, processed..... | 1,689 | 1,000 | 17,000 |
| Passenger automobiles..... | 1,039,272 | 1,385,000 | 1,100,000 | Sugar tax..... | 86,378 | 88,000 | 89,000 |
| Automobile trucks, buses, and trailers..... | 215,279 | 258,000 | 262,000 | Coin-operated amusement and gaming devices..... | 16,894 | 19,000 | 20,000 |
| Parts and accessories for automobiles..... | 166,234 | 170,000 | 122,000 | Bowling alleys and billiard and pool tables..... | 3,403 | 4,000 | 4,000 |
| Tires, inner tubes, and tread rubber..... | 278,911 | 306,000 | 318,000 | All other miscellaneous excise taxes..... | 1,000 | 1,000 | 925 |
| | | | | Total miscellaneous excise taxes under existing legislation..... | 1,435,953 | 1,395,000 | 1,031,925 |
| | | | | Under proposed legislation..... | | | 455,000 |
| | | | | Total miscellaneous excise taxes under existing and proposed legislation..... | 1,435,953 | 1,395,000 | 1,486,925 |

SPECIAL ANALYSIS B—Continued

BUDGET RECEIPTS—Continued

BY SOURCE—Continued

Estimates based on existing and proposed legislation—Continued

[In thousands]

| Source | 1959 actual | 1960 estimate | 1961 estimate | Source | 1959 actual | 1960 estimate | 1961 estimate |
|--|-------------|---------------|---------------|---|-------------|---------------|---------------|
| Excise taxes—Continued | | | | Miscellaneous receipts—Continued | | | |
| Undistributed depositary receipts and unapplied collections..... | \$66,351 | \$45,650 | | Under existing legislation—Continued | | | |
| Gross excise taxes under existing legislation..... | 10,759,549 | 11,810,650 | \$11,173,925 | Fines, penalties, and forfeitures: | | | |
| Less refunds..... | 84,370 | 83,650 | 298,925 | Fines, penalties, and forfeitures, agricultural laws..... | \$12,748 | \$12,501 | \$12,581 |
| Less transfer to Highway trust fund..... | 2,171,016 | 2,627,000 | 2,984,000 | Fines, penalties, and forfeitures, economic stabilization laws..... | 64 | 70 | 70 |
| Net excise taxes under existing legislation..... | 8,504,163 | 9,100,000 | 7,891,000 | Fines, penalties, and forfeitures, immigration and labor laws..... | 269 | 268 | 268 |
| Rate extensions and increases under proposed legislation..... | | | 1,383,000 | Fines, penalties, and forfeitures, customs, commerce, and antitrust laws..... | 2,676 | 2,653 | 2,684 |
| Reduction in refunds under proposed legislation..... | | | 215,000 | Fines, penalties, and forfeitures, narcotic, prohibition, and alcohol laws..... | 75 | 124 | 124 |
| Decrease in transfer to Highway trust fund under proposed legislation..... | | | 34,000 | Forfeitures of unclaimed money and property..... | 540 | 453 | 553 |
| Net excise taxes under existing and proposed legislation..... | 8,504,163 | 9,100,000 | 9,523,000 | Fines, penalties, and forfeitures, not otherwise classified..... | 6,727 | 2,766 | 2,785 |
| Employment taxes: | | | | Total fines, penalties, and forfeitures..... | 23,099 | 18,835 | 19,065 |
| Federal Insurance Contributions Act and Self-Employment Contributions Act..... | | | | | | | |
| Gross employment taxes..... | 8,004,355 | 10,092,000 | 11,665,000 | | | | |
| Less refunds..... | 525,369 | 630,050 | 660,050 | Contributions to "conscience fund"..... | 419 | 258 | 228 |
| Less transfers to— | 324,020 | 335,000 | 342,000 | Gifts..... | 237 | 96 | 84 |
| Federal old-age and survivors insurance trust fund..... | 8,853,744 | 11,057,050 | 12,667,050 | Total gifts and contributions..... | 656 | 354 | 312 |
| Federal disability insurance trust fund..... | 3,492 | 2,050 | 2,050 | | | | |
| Railroad retirement account..... | 7,157,674 | 9,164,000 | 10,693,000 | | | | |
| Net employment taxes..... | 846,681 | 928,000 | 972,000 | | | | |
| | 525,220 | 630,000 | 660,000 | | | | |
| | 320,677 | 333,000 | 340,000 | | | | |
| Gross estate and gift taxes: | | | | | | | |
| Less refunds..... | 1,352,982 | 1,500,000 | 1,650,000 | | | | |
| Net estate and gift taxes..... | 20,073 | 30,000 | 30,000 | | | | |
| | 1,332,910 | 1,470,000 | 1,620,000 | | | | |
| Gross taxes not otherwise classified: | | | | | | | |
| Less refunds..... | 5,444 | 5,700 | 5,700 | | | | |
| Net taxes not otherwise classified..... | 678 | 700 | 700 | | | | |
| | 4,765 | 5,000 | 5,000 | | | | |
| Gross customs: | | | | | | | |
| Less refunds..... | 948,412 | 1,200,000 | 1,400,000 | | | | |
| Net customs..... | 23,221 | 24,000 | 24,000 | | | | |
| | 925,192 | 1,176,000 | 1,376,000 | | | | |
| Miscellaneous receipts: | | | | | | | |
| Under existing legislation: | | | | | | | |
| Miscellaneous taxes..... | 4,228 | 4,250 | 4,250 | | | | |
| Seigniorage..... | 44,132 | 40,300 | 48,550 | | | | |
| Bullion charges..... | 2,846 | 2,835 | 2,835 | | | | |
| Fees for permits and licenses: | | | | | | | |
| Admission permits and fees..... | 4,806 | 5,082 | 5,347 | | | | |
| Business concessions..... | 8,009 | 7,115 | 7,892 | | | | |
| Immigration, passport, and consular fees..... | 16,487 | 17,724 | 18,519 | | | | |
| Patent and copyright fees..... | 8,325 | 8,604 | 8,829 | | | | |
| Registration and filing fees..... | 3,345 | 3,439 | 5,533 | | | | |
| Landing fees, airports..... | 438 | 425 | 425 | | | | |
| Miscellaneous fees for permits and licenses..... | 12,205 | 14,555 | 14,775 | | | | |
| Total fees for permits and licenses..... | 53,614 | 56,944 | 61,320 | | | | |

SPECIAL ANALYSIS B—Continued

BUDGET RECEIPTS—Continued

BY SOURCE—Continued

Estimates based on existing and proposed legislation—Continued

[In thousands]

| Source | 1959 actual | 1960 estimate | 1961 estimate | Source | 1959 actual | 1960 estimate | 1961 estimate |
|--|-------------|---------------|---------------|--|-------------|---------------|---------------|
| Miscellaneous receipts—Continued | | | | Miscellaneous receipts—Continued | | | |
| Under existing legislation—Continued | | | | Under existing legislation—Continued | | | |
| Royalties—Continued | | | | Realization upon loans and investments: | | | |
| Royalties on patents and copyrights | \$7 | \$15 | \$15 | Repayment of capital investment, Government-owned enterprises | | | |
| Total royalties | 92,981 | 196,531 | 220,531 | Repayment of investment in liquidated enterprises and special funds | \$2,485 | 2,800 | \$2,400 |
| Sale of products: | | | | Repayment of capital investment, Government-sponsored enterprises | 4,697 | 3 | 3 |
| Sale of agricultural products, live- stock and livestock products | 205 | 201 | 202 | Repayment of loans to States, municipalities, and other public bodies | 783 | 618 | 926 |
| Sale of timber, wildlife and other natural land products | 157,306 | 178,580 | 180,706 | Repayment of domestic loans to individuals and private organiza- tions | 319,771 | 325,278 | 347,425 |
| Sale of minerals and mineral prod- ucts | 8,910 | 10,010 | 10,010 | Repayment of foreign loans | 248,678 | 123,203 | 97,414 |
| Sale of power and other utilities | 174,270 | 173,051 | 181,717 | Repayment on miscellaneous re- coverable costs | 8,705 | 7,479 | 7,474 |
| Sale of publications and reproduc- tions | 4,492 | 4,605 | 4,777 | Miscellaneous repayment on loans and investments | 1,598 | 1,616 | 1,647 |
| Sale of miscellaneous products and byproducts | 4,414 | 5,259 | 5,257 | Total realization upon loans and investments | 586,717 | 470,997 | 457,789 |
| Total sale of products | 349,598 | 371,706 | 382,669 | Recoveries and refunds: | | | |
| Fees and other charges for services and special benefits: | | | | Compensation for Government property lost or damaged | 6,891 | 7,189 | 6,884 |
| Fees and other charges for adminis- trative, professional, and judicial services | 8,312 | 8,841 | 8,798 | War reparations and recoveries under military occupation | 1,344 | 30 | 30 |
| Fees and other charges for communi- cation and transportation serv- ices | 8,408 | 8,220 | 8,225 | Recoveries of excess profits and costs | 23,152 | 22,045 | 25,654 |
| Charges for subsistence, laundry, and health services | 3,627 | 3,789 | 3,826 | Recoveries under foreign aid pro- grams | 111,631 | 81,091 | 79,699 |
| Charges for testing, inspection, and grading services | 3,280 | 2,556 | 2,559 | Recoveries on guarantees and in- demnities | 167 | | |
| Fees and other charges for services provided to the District of Co- lumbia | 3,725 | 4,416 | 4,271 | Refunds of erroneous payments | 20,808 | 20,791 | 20,791 |
| Fees and other charges for special benefits | 613 | 797 | 1,523 | Miscellaneous recoveries and re- funds | 219,489 | 73,084 | 80,348 |
| Fees and other charges for general governmental services | 11,113 | 10,539 | 11,511 | Total recoveries and refunds | 383,482 | 204,230 | 213,406 |
| Charges under intergovernmental defense agreements | 46,458 | 23,100 | | Gross miscellaneous receipts under existing legislation | 3,157,881 | 4,012,600 | 3,920,625 |
| Fees and other charges for miscella- neous services | 6,180 | 6,801 | 6,928 | Under proposed legislation | | | 11,700 |
| Total fees and other charges for services and special benefits | 91,716 | 69,059 | 47,641 | Gross miscellaneous receipts under ex- isting and proposed legislation | 3,157,881 | 4,012,600 | 3,932,325 |
| Sale of Government property: | | | | Less refunds | 3,043 | 2,600 | 2,325 |
| Sale of public domain | 5,763 | 5,577 | 5,883 | Net miscellaneous receipts under existing and proposed legislation | 3,154,838 | 4,010,000 | 3,930,000 |
| Sale of other real property | 20,403 | 22,564 | 24,742 | Net budget receipts | 68,270,253 | 78,600,000 | 84,000,000 |
| Sale of equipment and other per- sonal property | 174,297 | 225,876 | 228,504 | | | | |
| Sale of scrap and salvage ma- terials | 124,342 | 167,382 | 191,039 | | | | |
| Total sale of Government prop- erty | 324,805 | 421,399 | 450,168 | | | | |

SPECIAL ANALYSIS C**ANALYSIS OF BUDGET BY FUNCTION AND AGENCY**

This special analysis gives the details for the functional breakdown of new obligational authority and budget expenditures used in the budget message and in some of the tables of part I.

For each function and subfunction, data are listed by agencies. In order to find the appropriation items which make up the amounts shown for the agency, it is necessary to look in the chapter summary for that agency. Each entry in the chapter summary is coded to indicate the subfunction in which it is classified.

For purposes of this classification each appropriation account and each revolving and management fund is treated as a unit. Exceptions are made, and accounts are split into two or more categories, in only selected cases. This necessarily involves some close decisions in borderline cases, and it means that programs with secondary significance for some major functions will be in-

cluded in another category because another objective predominates in the particular appropriation. Thus, to secure a comprehensive total of all Government programs related to education, for example, it would be necessary to provide a special tabulation, counting in this category some appropriations which might also be relevant to other categories.

Whereas this special analysis presents both authorizations and expenditures for major functions, subfunctions, and agencies over a 3-year period, special analysis G shows expenditures for the major functions and subfunctions over a 10-year period. Special analysis A shows Federal Government payments to the public, classified by major function.

The allowance for contingencies constitutes an additional entry in the tabulations for the years 1960 and 1961.

SPECIAL ANALYSIS C—Continued

ANALYSIS OF THE BUDGET

BY FUNCTION AND AGENCY

Based on existing and proposed legislation

[In thousands]

| Function and agency | NEW OBLIGATIONAL AUTHORITY | | | EXPENDITURES | | |
|--|----------------------------|---------------|---------------|--------------|---------------|---------------|
| | 1959 actual | 1960 estimate | 1961 estimate | 1959 actual | 1960 estimate | 1961 estimate |
| MAJOR NATIONAL SECURITY | | | | | | |
| 061 Military defense: | | | | | | |
| Department of Defense—Military..... | \$41,167,937 | \$40,647,125 | \$40,577,000 | \$41,232,707 | \$40,945,000 | \$40,935,000 |
| 066 Development and control of atomic energy: | | | | | | |
| Independent offices: Atomic Energy Commission..... | 2,723,325 | 2,801,983 | 2,665,800 | 2,541,060 | 2,675,121 | 2,689,000 |
| 067 Stockpiling and defense production expansion: | | | | | | |
| Funds appropriated to the President..... | 108,000 | | | 239,119 | 169,582 | 89,145 |
| General Services Administration..... | 3,000 | | 30,132 | 73,293 | 60,000 | 45,000 |
| Total, stockpiling and defense production expansion..... | 111,000 | | 30,132 | 312,412 | 229,582 | 134,145 |
| 068 Military assistance: | | | | | | |
| Department of Defense—Military..... | 1,515,000 | 1,300,000 | 2,090,000 | 2,340,278 | 1,800,000 | 1,750,000 |
| Total, major national security | 45,517,262 | 44,749,108 | 45,281,932 | 46,426,457 | 45,649,703 | 45,568,145 |
| Enacted or recommended in this document..... | 45,517,262 | 44,724,108 | 45,257,932 | 46,426,457 | 45,626,703 | 45,544,145 |
| Proposed for later transmission..... | | 25,000 | 24,000 | | 23,000 | 24,000 |
| INTERNATIONAL AFFAIRS AND FINANCE | | | | | | |
| 151 Conduct of foreign affairs: | | | | | | |
| Independent offices: Tariff Commission..... | 1,959 | 2,135 | 2,455 | 2,004 | 2,108 | 2,420 |
| General Services Administration..... | 3,750 | | | 363 | 2,750 | 637 |
| Department of State..... | 214,211 | 199,300 | 253,604 | 234,986 | 205,377 | 246,443 |
| Total, conduct of foreign affairs..... | 210,920 | 201,435 | 256,050 | 237,353 | 210,235 | 249,500 |
| 152 Economic and technical development: | | | | | | |
| Funds appropriated to the President..... | 1,933,092 | 1,925,813 | 2,175,000 | 1,524,365 | 1,550,001 | 1,700,000 |
| Independent offices: Export-Import Bank of Washington..... | | | | 390,398 | -56,087 | -7,310 |
| General Services Administration..... | | | | -1,018 | 1,011 | 267 |
| Department of Agriculture..... | 119,270 | 104,508 | 115,000 | 97,928 | 115,000 | 120,000 |
| Department of Commerce..... | 10,000 | | | 15,938 | 22,999 | 10,000 |
| Department of Defense—Civil | | | | -99 | | |
| Department of State..... | | 1,000 | 1,000 | 706 | 1,002 | 1,000 |
| Treasury Department..... | 4,550,000 | 280,000 | | 1,375,000 | 80,000 | |
| Total, economic and technical development..... | 6,612,362 | 2,311,321 | 2,291,000 | 3,403,218 | 1,713,926 | 1,823,957 |
| 153 Foreign information and exchange activities: | | | | | | |
| Funds appropriated to the President..... | 6,410 | 6,146 | 8,600 | 8,010 | 6,700 | 8,100 |
| Independent offices: United States Information Agency..... | 118,924 | 118,234 | 123,793 | 109,454 | 110,300 | 124,400 |
| Department of State..... | 23,997 | 59,788 | 35,560 | 21,688 | 24,417 | 36,336 |
| Total, foreign information and exchange activities..... | 149,331 | 184,168 | 167,953 | 139,152 | 141,417 | 168,836 |
| Total, international affairs and finance..... | 6,981,613 | 2,696,924 | 2,715,012 | 3,770,723 | 2,065,578 | 2,242,293 |
| Enacted or recommended in this document..... | 6,981,613 | 2,647,468 | 2,666,012 | 3,779,723 | 2,058,208 | 2,180,277 |
| Proposed for later transmission..... | | 149,456 | 49,000 | | 7,370 | 62,016 |
| VETERANS SERVICES AND BENEFITS | | | | | | |
| 101 Veterans education and training: | | | | | | |
| Independent offices: Veterans Administration..... | 547,174 | 470,480 | 285,912 | 573,793 | 445,480 | 315,949 |
| 102 Other veterans readjustment benefits: | | | | | | |
| Independent offices: Veterans Administration..... | 133,326 | 114,520 | 124,088 | 133,338 | 114,872 | 124,105 |
| Department of Labor..... | 44,000 | 8,000 | | 44,000 | 8,000 | |
| Total, other veterans readjustment benefits..... | 177,326 | 122,520 | 124,088 | 177,338 | 122,872 | 124,105 |
| 103 Veterans compensation and pensions: | | | | | | |
| Independent offices: Veterans Administration..... | 3,273,300 | 3,405,000 | 3,840,000 | 3,274,568 | 3,407,050 | 3,840,000 |
| 104 Veterans insurance and servicemen's indemnities: | | | | | | |
| Independent offices: Veterans Administration..... | 51,787 | 53,690 | 49,485 | 35,256 | 35,780 | 31,322 |
| 105 Veterans hospitals and medical care: | | | | | | |
| Independent offices: Veterans Administration..... | 808,922 | 945,279 | 1,008,471 | 920,587 | 965,692 | 990,450 |

¹ Includes amounts for special foreign currency programs recommended in this document.

SPECIAL ANALYSIS C—Continued

ANALYSIS OF THE BUDGET—Continued

BY FUNCTION AND AGENCY—Continued

Based on existing and proposed legislation—Continued

[In thousands]

| Function and agency | NEW OBLIGATIONAL AUTHORITY | | | EXPENDITURES | | |
|--|----------------------------|------------------|------------------|------------------|------------------|------------------|
| | 1959 actual | 1960 estimate | 1961 estimate | 1959 actual | 1960 estimate | 1961 estimate |
| VETERANS SERVICES AND BENEFITS—Continued | | | | | | |
| 106 Other veterans services and administration: | | | | | | |
| Independent offices: | | | | | | |
| American Battle Monuments Commission..... | \$1,268 | \$1,295 | \$1,320 | \$3,502 | \$3,070 | \$2,785 |
| Veterans Administration..... | 166,882 | 168,442 | 150,574 | 181,175 | 167,936 | 158,975 |
| Department of Defense—Civil..... | 7,450 | 8,964 | 9,400 | 7,284 | 8,500 | 9,560 |
| Department of Labor..... | 586 | 592 | 596 | 596 | 597 | 589 |
| Total, other veteranservices and administration..... | 176,186 | 179,293 | 167,890 | 192,617 | 180,103 | 168,909 |
| Total, veterans services and benefits | 5,124,695 | 5,176,262 | 5,475,846 | 5,174,159 | 5,156,977 | 5,470,735 |
| Enacted or recommended in this doceument..... | 5,124,695 | 5,062,085 | 5,475,846 | 5,174,159 | 5,042,800 | 5,470,735 |
| Proposed for later transmission..... | | 114,177 | | | 114,177 | |
| LABOR AND WELFARE | | | | | | |
| 211 Labor and manpower: | | | | | | |
| Independent offices: | | | | | | |
| Federal Coal Mine Safety Board of Review..... | 70 | 70 | 70 | 51 | 69 | 70 |
| Federal Mediation and Conciliation Service..... | 3,879 | 3,905 | 4,033 | 3,990 | 3,894 | 4,082 |
| National Labor Relations Board..... | 13,257 | 15,480 | 17,300 | 12,580 | 15,170 | 16,970 |
| National Mediation Board..... | 1,432 | 1,437 | 1,555 | 1,393 | 1,421 | 1,545 |
| Selective Service System..... | 29,557 | 29,278 | 32,950 | 30,308 | 28,221 | 32,275 |
| Department of the Interior..... | 6,363 | 6,387 | 6,782 | 6,596 | 6,400 | 6,700 |
| Department of Labor..... | 363,070 | 360,542 | 374,764 | 789,118 | 359,512 | 358,812 |
| Treasury Department..... | | | 14,535 | | | 14,535 |
| Total, labor and manpower..... | 417,628 | 417,099 | 452,049 | 844,036 | 414,687 | 434,989 |
| 212 Public assistance: | | | | | | |
| Department of Health, Education, and Welfare..... | 1,960,468 | 2,046,182 | 2,086,772 | 1,969,012 | 2,055,703 | 2,086,563 |
| 213 Promotion of public health: | | | | | | |
| Independent offices: Interstate Commission on the Potomac River Basin..... | 5 | 5 | 5 | 5 | 5 | 5 |
| General Services Admlnistration..... | 1,020 | | | 3,579 | 2,500 | 1,500 |
| Department of Health, Education, and Welfare..... | 823,330 | 910,973 | 847,342 | 700,327 | 847,792 | 902,089 |
| Total, promotion of public health..... | 824,355 | 910,978 | 847,347 | 703,911 | 850,297 | 903,594 |
| 214 Promotion of education: | | | | | | |
| Legislative branch..... | 1,368 | 1,619 | 1,718 | 1,265 | 1,531 | 1,681 |
| Independent offices: National Science Foundation..... | 64,356 | 66,735 | 69,675 | 50,947 | 53,930 | 58,584 |
| Department of Health, Education, and Welfare..... | 400,982 | 450,774 | 411,032 | 356,474 | 435,293 | 444,683 |
| Department of the Interior..... | 57,899 | 60,986 | 63,669 | 58,815 | 58,000 | 60,500 |
| Total, promotion of education..... | 524,605 | 580,114 | 546,094 | 467,501 | 548,754 | 565,448 |
| 215 Promotion of science, research, libraries, and museums: | | | | | | |
| Legislative branch..... | 10,975 | 11,297 | 14,490 | 10,290 | 12,039 | 13,578 |
| Funds appropriated to the President..... | 5,100 | | | | 1,480 | 1,280 |
| Independent offices: | | | | | | |
| National Science Foundation..... | 74,144 | 88,038 | 121,925 | 55,496 | 71,070 | 101,043 |
| Smithsonian Institution..... | 9,378 | 9,552 | 23,116 | 11,605 | 16,373 | 27,793 |
| Department of Commerce..... | 40,089 | 129,389 | 78,895 | 35,786 | 112,827 | 69,152 |
| Department of Health, Education, and Welfare..... | 6,000 | 6,103 | 7,300 | 5,362 | 7,113 | 7,300 |
| Total, promotion of science, research, libraries, and museums..... | 145,686 | 244,379 | 245,726 | 118,539 | 220,902 | 220,146 |
| 216 Correctional and penal institutions: | | | | | | |
| Department of Justice..... | 43,044 | 51,075 | 56,520 | 38,959 | 45,857 | 47,733 |
| 217 Other welfare services and administration: | | | | | | |
| Department of Agriculture..... | 202,045 | 220,388 | 224,668 | 218,461 | 233,544 | 234,119 |
| Department of Health, Education, and Welfare..... | 64,634 | 72,929 | 78,910 | 60,540 | 70,884 | 76,143 |
| Total, other welfare services and administration..... | 266,679 | 233,317 | 203,578 | 279,001 | 304,428 | 310,262 |
| Total, labor and welfare | 4,182,465 | 4,543,144 | 4,538,086 | 4,420,959 | 4,440,628 | 4,568,735 |
| Enacted or recommended in this document..... | 4,182,465 | 4,520,814 | 4,538,086 | 4,420,959 | 4,423,897 | 4,563,136 |
| Proposed for later transmission..... | | 22,330 | | | 16,731 | 5,599 |

SPECIAL ANALYSIS C—Continued

ANALYSIS OF THE BUDGET—Continued

BY FUNCTION AND AGENCY—Continued

Based on existing and proposed legislation—Continued

[In thousands]

| Function and agency | NEW OBLIGATIONAL AUTHORITY | | | EXPENDITURES | | |
|--|----------------------------|---------------|---------------|--------------|---------------|---------------|
| | 1959 actual | 1960 estimate | 1961 estimate | 1959 actual | 1960 estimate | 1961 estimate |
| AGRICULTURE AND AGRICULTURAL RESOURCES | | | | | | |
| 351 Stabilization of farm prices and farm income: | | | | | | |
| Department of Agriculture..... | \$3,854,084 | \$3,573,651 | \$3,046,032 | \$5,126,336 | \$3,499,255 | \$3,949,620 |
| 352 Financing farm ownership and operation: | | | | | | |
| Independent offices: Farm Credit Administration..... | 1,997 | 2,335 | 2,480 | 4,551 | 5,602 | 7,650 |
| Department of Agriculture..... | 279,425 | 239,445 | 216,098 | 245,942 | 235,507 | 221,478 |
| Total, financing farm ownership and operation..... | 281,422 | 241,780 | 218,578 | 250,493 | 241,109 | 229,128 |
| 353 Financing rural electrification and rural telephones: | | | | | | |
| Department of Agriculture..... | 419,101 | 249,632 | 199,632 | 314,840 | 334,421 | 354,595 |
| 354 Conservation and development of agricultural land and water resources: | | | | | | |
| Department of Agriculture..... | 559,128 | 709,647 | 772,015 | 546,657 | 739,533 | 764,563 |
| 355 Research and other agricultural services: | | | | | | |
| Department of Agriculture..... | 307,311 | 324,610 | 333,321 | 291,138 | 298,198 | 324,889 |
| Total agriculture and agricultural resources..... | 5,421,046 | 5,099,320 | 4,569,578 | 6,529,464 | 5,112,516 | 5,622,795 |
| Enacted or recommended in this document..... | 5,421,046 | 4,395,706 | 4,537,578 | 6,529,464 | 5,110,849 | 4,905,795 |
| Proposed for later transmission..... | | 1,703,614 | 32,000 | | 1,667 | 717,000 |
| NATURAL RESOURCES | | | | | | |
| 401 Conservation and development of land and water resources: | | | | | | |
| Independent offices: | | | | | | |
| Federal Power Commission..... | 6,991 | 7,275 | 7,856 | 6,967 | 7,379 | 7,800 |
| River Basin Study Commissions..... | 320 | 1,540 | 2,900 | 89 | 1,440 | 2,700 |
| Saint Lawrence Seaway Development Corporation..... | | | | 15,357 | 7,200 | 3,800 |
| Tennessee Valley Authority..... | 16,850 | 764,904 | 20,520 | 7,130 | 34,533 | 72,957 |
| Department of Defense—Civil..... | 815,816 | 873,172 | 936,422 | 778,544 | 860,000 | 910,000 |
| Department of the Interior..... | 421,913 | 393,201 | 432,488 | 369,960 | 372,220 | 436,621 |
| Department of State..... | 4,679 | 4,583 | 6,560 | 5,122 | 5,049 | 6,442 |
| Total, conservation and development of land and water resources..... | 1,266,569 | 2,044,675 | 1,406,746 | 1,183,169 | 1,287,821 | 1,440,320 |
| 402 Conservation and development of forest resources: | | | | | | |
| Department of Agriculture..... | 185,465 | 210,839 | 174,636 | 189,506 | 207,606 | 205,877 |
| Department of the Interior..... | 11,112 | 14,899 | 16,052 | 11,112 | 14,899 | 16,052 |
| Total, conservation and development of forest resources..... | 196,577 | 225,738 | 190,688 | 200,618 | 222,505 | 221,929 |
| 403 Conservation and development of mineral resources: | | | | | | |
| Department of the Interior..... | 74,743 | 60,443 | 63,122 | 70,971 | 65,561 | 64,238 |
| 404 Conservation and development of fish and wildlife: | | | | | | |
| Department of Defense—Civil..... | 21 | 26 | 26 | 21 | 30 | 30 |
| Department of the Interior..... | 59,748 | 66,697 | 66,055 | 66,625 | 67,733 | 69,208 |
| Department of State..... | 1,664 | 1,780 | 1,925 | 1,675 | 1,825 | 1,925 |
| Total, conservation and development of fish and wildlife..... | 61,433 | 68,503 | 68,006 | 68,321 | 69,588 | 71,163 |
| 405 Recreational use of natural resources: | | | | | | |
| Independent offices: | | | | | | |
| Historical and memorial commissions..... | 20 | 20 | | 20 | 20 | 1 |
| Outdoor Recreation Resources Review Commission..... | 150 | 850 | 1,180 | 61 | 815 | 1,130 |
| Department of the Interior..... | 84,073 | 85,590 | 52,462 | 85,423 | 85,744 | 85,762 |
| Total, recreational use of natural resources..... | 84,243 | 86,460 | 53,642 | 85,509 | 86,579 | 86,893 |
| 409 General resource surveys and administration: | | | | | | |
| Department of the Interior..... | 58,379 | 52,212 | 53,377 | 60,308 | 53,240 | 53,186 |
| Total, natural resources..... | 1,741,944 | 2,538,031 | 1,835,581 | 1,668,896 | 1,785,294 | 1,937,779 |
| Enacted or recommended in this document..... | 1,741,944 | 2,505,954 | 1,835,581 | 1,668,896 | 1,758,926 | 1,932,570 |
| Proposed for later transmission..... | | 32,077 | | | 26,368 | 5,209 |

¹ Includes amounts for special foreign currency programs recommended in this document.

SPECIAL ANALYSIS C—Continued

ANALYSIS OF THE BUDGET—Continued

BY FUNCTION AND AGENCY—Continued

Based on existing and proposed legislation—Continued

[In thousands]

| Function and agency | NEW OBLIGATIONAL AUTHORITY | | | EXPENDITURES | | |
|---|----------------------------|---------------|---------------|--------------|---------------|---------------|
| | 1959 actual | 1960 estimate | 1961 estimate | 1959 actual | 1960 estimate | 1961 estimate |
| COMMERCE AND HOUSING | | | | | | |
| 510 Promotion of water transportation: | | | | | | |
| Department of Commerce..... | \$288,897 | \$310,930 | \$298,600 | \$200,058 | \$257,301 | \$263,283 |
| Department of Defense—Civil..... | 19,250 | | | 6,924 | 4,391 | 14,466 |
| Treasury Department..... | 241,150 | 258,050 | 285,115 | 229,310 | 275,789 | 281,017 |
| Total, promotion of water transportation..... | 549,297 | 568,980 | 583,715 | 436,292 | 537,481 | 558,766 |
| 511 Provision of highways: | | | | | | |
| Department of Commerce..... | 36,000 | 36,000 | | 29,515 | 45,449 | 3,352 |
| 512 Promotion of aviation: | | | | | | |
| Independent offices: | | | | | | |
| Civil Aeronautics Board..... | 52,398 | 66,408 | 71,640 | 52,548 | 60,395 | 68,984 |
| Federal Aviation Agency..... | 564,981 | 573,495 | 717,000 | 441,400 | 567,000 | 681,000 |
| Department of Commerce..... | | | | | —20 | —1 |
| Total, promotion of aviation..... | 617,379 | 639,903 | 788,640 | 493,948 | 627,375 | 749,983 |
| 513 Space exploration and flight technology: | | | | | | |
| Independent offices: National Aeronautics and Space Administration..... | 305,364 | 523,575 | 802,000 | 145,491 | 325,000 | 600,000 |
| 514 Postal service: | | | | | | |
| Post Office Department..... | 625,238 | 656,410 | * 49,000 | 773,887 | 604,400 | * 49,000 |
| 515 Community development and facilities: | | | | | | |
| General Services Administration..... | | | | 49 | | |
| Housing and Home Finance Agency..... | 110,250 | 359,725 | 331,750 | 102,260 | 231,092 | 203,073 |
| Department of Health, Education, and Welfare..... | | | | 25 | | |
| Department of the Interior..... | 5,300 | 350 | 300 | 6,087 | 5,639 | 477 |
| Total, community development and facilities..... | 115,550 | 360,075 | 332,050 | 108,421 | 236,731 | 203,550 |
| 516 Public housing programs: | | | | | | |
| Independent offices: National Capital Housing Authority..... | 38 | 40 | | 35 | 43 | —6 |
| Housing and Home Finance Agency..... | 128,074 | 143,830 | 159,200 | 97,280 | 129,964 | 147,699 |
| Total, public housing programs..... | 128,112 | 143,870 | 159,200 | 97,315 | 130,007 | 147,693 |
| 517 Other aids to housing: | | | | | | |
| Independent offices: | | | | | | |
| Federal Home Loan Bank Board..... | | | | —41,009 | —49,692 | —84,839 |
| Veterans Administration..... | 150,000 | 250,000 | | 113,227 | 230,496 | —12,153 |
| Housing and Home Finance Agency..... | 19,548 | 289,782 | 160,637 | 952,689 | —168 | 149,702 |
| Department of Agriculture..... | | | | 60,552 | 42,900 | 25,700 |
| Total, other aids to housing..... | 169,548 | 539,782 | 160,637 | 1,085,459 | 223,536 | 78,410 |
| 518 Other aids to business: | | | | | | |
| Legislative branch..... | 1,397 | 1,450 | 1,487 | 1,429 | 1,450 | 1,476 |
| Independent offices: | | | | | | |
| Alaska International Rail and Highway Commission..... | 240 | | | 31 | 155 | 60 |
| Atomic Energy Commission..... | | | | —61 | —23 | —2 |
| Small Business Administration..... | 231,271 | 153,940 | 65,725 | 106,674 | 101,628 | 120,143 |
| General Services Administration..... | | | | —2,327 | —4,116 | —2,356 |
| Department of Commerce..... | 48,073 | 48,719 | 119,600 | 51,171 | 50,997 | 67,168 |
| Department of Defense—Civil..... | | | | —9,573 | 5,521 | —437 |
| Department of the Interior..... | | | | 2,937 | 2,205 | 500 |
| Treasury Department..... | | | | —11,349 | —8,591 | —8,279 |
| Total, other aids to business..... | 280,981 | 204,109 | 186,812 | 138,932 | 149,226 | 178,273 |
| 519 Regulation of commerce and finance: | | | | | | |
| Independent offices: | | | | | | |
| Civil Aeronautics Board..... | 6,438 | 6,925 | 7,600 | 6,601 | 6,828 | 7,555 |
| Federal Communications Commission..... | 9,781 | 10,550 | 13,500 | 9,920 | 10,177 | 12,110 |
| Federal Trade Commission..... | 6,488 | 6,840 | 7,600 | 6,687 | 6,789 | 7,525 |
| Interstate Commerce Commission..... | 18,748 | 19,650 | 20,500 | 19,341 | 19,561 | 20,687 |
| Securities and Exchange Commission..... | 7,705 | 8,100 | 8,900 | 7,898 | 8,003 | 8,800 |
| Department of Commerce..... | 3,173 | 2,800 | 2,800 | 3,230 | 2,814 | 2,799 |
| Department of Health, Education, and Welfare..... | | | | —150 | —105 | —84 |
| Department of Justice..... | 4,138 | 4,500 | 4,760 | 4,227 | 4,182 | 4,628 |
| Total, regulation of commerce and finance..... | 56,471 | 59,365 | 65,660 | 57,754 | 58,249 | 64,020 |

² Includes proposed postal rate increases of \$554,000 thousand.

SPECIAL ANALYSIS C—Continued

ANALYSIS OF THE BUDGET—Continued

BY FUNCTION AND AGENCY—Continued

Based on existing and proposed legislation—Continued

[In thousands]

| Function and agency | NEW OBLIGATIONAL AUTHORITY | | | EXPENDITURES | | |
|---|----------------------------|---------------|---------------|--------------|---------------|---------------|
| | 1959 actual | 1960 estimate | 1961 estimate | 1959 actual | 1960 estimate | 1961 estimate |
| COMMERCE AND HOUSING—Continued | | | | | | |
| 520 Civil and defense mobilization: | | | | | | |
| Executive Office of the President: Office of Civil and Defense Mobilization | \$45,285 | \$55,885 | \$76,350 | \$45,784 | \$56,500 | \$68,000 |
| Treasury Department | | | | -150 | -140 | -134 |
| Total, civil and defense mobilization | 45,285 | 55,885 | 76,350 | 45,634 | 56,360 | 67,866 |
| 521 Disaster insurance, loans, and relief: | | | | | | |
| Funds appropriated to the President | | | | 4,678 | 8,000 | 8,000 |
| Independent offices: Small Business Administration | | 1,000 | | 3,186 | 315 | 313 |
| Total, disaster insurance, loans, and relief | | 1,000 | | 7,864 | 8,315 | 8,313 |
| 522 Total, commerce and housing | 2,929,225 | 3,788,954 | 3,204,064 | 3,420,512 | 3,002,129 | 2,709,226 |
| Enacted or recommended in this document | 2,929,225 | 3,717,920 | 3,701,064 | 3,420,512 | 2,895,597 | 3,262,357 |
| Proposed for later transmission | | 71,034 | 2 - 497,000 | | 106,532 | 2 - 553,131 |
| GENERAL GOVERNMENT | | | | | | |
| 601 Legislative functions: | | | | | | |
| Legislative branch | 102,880 | 96,969 | 94,854 | 101,818 | 120,787 | 146,314 |
| 602 Judicial functions: | | | | | | |
| Legislative branch | 30 | 30 | 35 | 31 | 30 | 35 |
| The judiciary | 47,862 | 49,444 | 52,502 | 47,074 | 49,372 | 52,428 |
| Independent offices: Indian Claims Commission | 178 | 180 | 196 | 169 | 183 | 196 |
| General Services Administration | | | | 30 | | |
| Total, judicial functions | 48,070 | 49,654 | 52,733 | 47,304 | 49,585 | 52,659 |
| 603 Executive direction and management: | | | | | | |
| Executive Office of the President | 10,012 | 10,256 | 10,977 | 10,005 | 10,104 | 10,882 |
| Funds appropriated to the President | 1,000 | 1,125 | 1,350 | 514 | 1,414 | 1,252 |
| General Services Administration | | 200 | 250 | | 195 | 245 |
| Treasury Department | 1,218 | 1,318 | 1,338 | 1,275 | 1,319 | 1,339 |
| Total, executive direction and management | 12,230 | 12,899 | 13,915 | 11,794 | 13,032 | 13,718 |
| 604 Federal financial management: | | | | | | |
| Independent offices: | | | | | | |
| General Accounting Office | 39,020 | 41,800 | 41,150 | 40,034 | 40,266 | 41,000 |
| Renegotiation Board | 3,026 | 2,850 | 2,870 | 3,082 | 2,881 | 2,874 |
| Tax Court of the United States | 1,522 | 1,535 | 1,583 | 1,485 | 1,531 | 1,562 |
| Treasury Department | 506,544 | 517,224 | 549,766 | 521,587 | 515,275 | 545,591 |
| Total, Federal financial management | 550,112 | 563,409 | 595,369 | 566,188 | 559,953 | 591,027 |
| 605 General property and records management: | | | | | | |
| Independent offices: Central Intelligence Agency | | | | 6,252 | 16,000 | 19,200 |
| General Services Administration | 489,363 | 283,892 | 468,970 | 284,794 | 367,529 | 412,584 |
| Total, general property and records management | 489,363 | 283,892 | 468,970 | 291,046 | 383,529 | 431,784 |
| 606 Central personnel management and employment costs: | | | | | | |
| Independent offices: Civil Service Commission | 22,357 | 21,570 | 71,175 | 22,668 | 21,588 | 70,893 |
| Department of Labor | 189,108 | 181,280 | 180,127 | 182,737 | 176,253 | 180,112 |
| Total, central personnel management and employment costs | 211,465 | 202,850 | 251,302 | 205,405 | 197,841 | 251,005 |
| 607 Civilian weather services: | | | | | | |
| Department of Commerce | 45,248 | 51,355 | 63,100 | 46,410 | 51,586 | 57,642 |

*Includes proposed postal rate increases of \$554,000 thousand.

SPECIAL ANALYSIS C—Continued

ANALYSIS OF THE BUDGET—Continued

BY FUNCTION AND AGENCY—Continued

Based on existing and proposed legislation—Continued

[In thousands]

| Function and agency | NEW OBLIGATIONAL AUTHORITY | | | EXPENDITURES | | |
|---|----------------------------|---------------|---------------|--------------|---------------|---------------|
| | 1959 actual | 1960 estimate | 1961 estimate | 1959 actual | 1960 estimate | 1961 estimate |
| GENERAL GOVERNMENT—Continued | | | | | | |
| 608 Protective services and alien control: | | | | | | |
| Independent offices: | | | | | | |
| Civil Service Commission..... | \$450 | \$400 | \$467 | \$379 | \$441 | \$466 |
| Commission on Civil Rights..... | 777 | 780 | 995 | 655 | 800 | 990 |
| Subversive Activities Control Board..... | 375 | 380 | 395 | 324 | 380 | 395 |
| Department of Justice..... | 206,148 | 210,835 | 219,620 | 206,879 | 208,657 | 218,639 |
| Treasury Department..... | 7,808 | 8,096 | 8,227 | 7,908 | 8,130 | 8,229 |
| Total, protective services and alien control..... | 215,558 | 220,491 | 229,704 | 216,145 | 218,408 | 228,719 |
| 609 Territories and possessions, and the District of Columbia: | | | | | | |
| Independent offices: National Capital Planning Commission..... | 243 | 2,686 | 2,833 | 1,596 | 2,445 | 4,706 |
| Department of Defense—Civil..... | 24,630 | 45,052 | 32,354 | 23,929 | 27,773 | 37,943 |
| Department of the Interior..... | 11,090 | 11,834 | 16,049 | 11,793 | 11,885 | 15,439 |
| Treasury Department..... | 21,004 | 20,000 | 20,000 | 20,964 | 20,226 | 20,000 |
| District of Columbia..... | 23,361 | 61,518 | 53,233 | 31,111 | 33,918 | 47,733 |
| Total, territories and possessions, and the District of Columbia..... | 90,328 | 141,090 | 124,469 | 89,393 | 96,247 | 125,821 |
| 610 Other general government: | | | | | | |
| Legislative branch..... | 3,463 | 3,520 | 3,620 | 3,012 | -339 | -712 |
| Funds appropriated to the President..... | | 10,500 | 6,000 | | 10,500 | 6,000 |
| Independent offices: | | | | | | |
| Advisory Commission on Intergovernmental Relations..... | | 50 | 175 | | 45 | 175 |
| Commission on International Rules of Judicial Procedure..... | 25 | | | | 25 | |
| Foreign Claims Settlement Commission..... | 611 | 414 | 260 | 619 | 416 | 258 |
| Historical and memorial commissions..... | 499 | 424 | 140 | 357 | 464 | 304 |
| Permanent Committee for the Oliver Wendell Holmes Devise..... | 13 | 26 | 24 | 52 | 85 | 88 |
| Department of Defense—Civil..... | 244 | | | 420 | 905 | 710 |
| Department of the Interior..... | 201 | 293 | 220 | 523 | 410 | 414 |
| Treasury Department..... | 25,113 | 7,060 | 5,002 | 25,094 | 7,514 | 5,002 |
| Total, other general government..... | 30,169 | 22,287 | 15,441 | 30,077 | 20,025 | 12,239 |
| Total, general government..... | 1,795,423 | 1,644,896 | 1,909,857 | 1,605,580 | 1,710,993 | 1,910,928 |
| Enacted or recommended in this document..... | 1,795,423 | 1,637,448 | 1,909,682 | 1,605,580 | 1,703,706 | 1,910,599 |
| Proposed for later transmission..... | | 7,448 | 175 | | 7,287 | 329 |
| INTEREST | | | | | | |
| 651 Interest on the public debt: | | | | | | |
| Treasury Department..... | 7,592,769 | 9,300,000 | 9,500,000 | 7,592,769 | 9,300,000 | 9,500,000 |
| 652 Interest on refunds of receipts: | | | | | | |
| General Services Administration..... | | | 100 | 431 | 100 | 75 |
| Treasury Department..... | 69,480 | 75,200 | 75,200 | 69,480 | 75,200 | 75,200 |
| Total, interest on refunds of receipts..... | 69,480 | 75,200 | 75,300 | 69,911 | 75,300 | 75,275 |
| 653 Interest on uninvested funds: | | | | | | |
| Treasury Department..... | 8,808 | 9,364 | 9,609 | 8,808 | 9,364 | 9,609 |
| Total, interest (enacted or recommended in this document)..... | 7,671,057 | 9,384,564 | 9,584,909 | 7,671,488 | 9,384,664 | 9,584,884 |
| ALLOWANCE FOR CONTINGENCIES | | | | | | |
| Total, new obligational authority and expenditures..... | | 100,000 | 300,000 | | 75,000 | 200,000 |
| Enacted or recommended in this document..... | 81,364,729 | 79,721,202 | 79,414,866 | 80,697,239 | 78,383,481 | 79,815,520 |
| Proposed for later transmission..... | 81,364,729 | 78,596,066 | 79,506,691 | 80,697,239 | 78,005,349 | 79,354,498 |
| | | 1,125,136 | -91,825 | | 378,132 | 461,022 |

SPECIAL ANALYSIS D

INVESTMENT, OPERATING, AND OTHER BUDGET EXPENDITURES

INTRODUCTION

This special analysis is designed to contribute to a general understanding of the Federal budget by dividing Government expenditures into two major categories: (1) expenditures yielding benefits primarily in the current year and (2) expenditures yielding benefits primarily beyond the year in which they are made.

Expenditures yielding benefits over a period of years, that is, those of an investment type, are shown in two main classes—the first for acquisition of assets by the Federal Government, and the second for other broad developmental purposes. Additions to Federal assets include loans, outlays for public works, additions to major commodity inventories, expenditures for major equipment such as military missiles, ships, and aircraft, and expenditures for other physical assets. Expenditures for other developmental purposes are defined as those which add to State, local, and private assets or otherwise contribute to the general productivity of the economy. Included in this category are outlays for research and development, education and health, and other programs which add to the Nation's fund of knowledge and technical skills.

Expenditures which yield mainly current benefits are also grouped in two main classes—the first for aids and services to specific groups, and the second for current operating expenses of a more general nature.

In each category of this analysis, major national security expenditures are reported separately from those for all other (civil) programs. Such a distinction is especially helpful in appraising Federal expenditures for assets and other developmental purposes, since military outlays generally have different objectives from civil outlays in comparable categories. Similarly, expenditures for direct Federal programs are separated from grants-in-aid or loans to States and local governments.

Comparison with a capital budget.—The present analysis is not intended to be a capital budget. A capital budget as prepared by some foreign governments and some State and local governments usually provides separate financing for major capital outlays. Capital outlays of these governments may be entirely excluded from the current budget or they may be amortized over a period of years by annual charges to the budget. In the United States Federal Budget, however, investment items are ordinarily treated in the same way as outlays for other purposes; both types are considered as expenditures in determining the budget surplus or deficit.

A capital budget would also call for annual allowances for depreciation and obsolescence on existing physical assets, allowances for anticipated losses on loan programs, recognition of assets received as gifts or donated to others, and cognizance of profit or loss on sales of assets at figures different from their book values. This analysis makes no such provision for depreciation or other changes in the value of assets. Hence, it does not indicate the extent to which annual new investment is offset by changes in the value of existing assets.

Recovery of certain types of expenditures.—Certain expenditures for assets are offset in whole or in part by receipts to the Treasury in the form of sales, specific charges, or recoveries. This is the case with respect to

many loans, investment in commodity inventories, construction of powerplants, and outlays for range and forest improvements on the public domain. Where such activities are accounted for on a revolving fund basis, receipts are credited directly against the expenditures, and the expenditure amounts in the budget and in special analysis D are net of receipts. In other cases, the receipts are counted as miscellaneous receipts to the Treasury rather than as offsets to expenditures.

Federal expenditures for most investment type programs are not generally expected to be recovered by specific revenues. Nonetheless, these and other developmental expenditures increase the wealth and income of the Nation, both directly and indirectly, thus expanding potential Federal revenues over a period of years.

SUMMARY

Expenditures for the acquisition of assets and for other developmental purposes are estimated to be \$30 billion in 1961, compared to \$29.3 billion in 1960. Current expenses for aids, services, and operations will total about \$49.6 billion, compared to \$49 billion for 1960.

TABLE 1.—Summary of investment, operating, and other budget expenditures

[In millions]

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|-------------|---------------|---------------|
| Additions to Federal assets: | | | |
| Civil..... | \$7,494 | \$3,814 | \$4,663 |
| Major national security..... | 16,509 | 15,905 | 15,296 |
| Expenditures for other developmental purposes: | | | |
| Civil..... | 2,346 | 2,976 | 3,411 |
| Major national security..... | 5,692 | 6,565 | 6,615 |
| Current expenses for aids and special services: | | | |
| Civil..... | 14,338 | 14,032 | 13,701 |
| Major national security..... | 2,358 | 1,788 | 1,719 |
| Other services and current operating expenses: | | | |
| Interest..... | 7,671 | 9,385 | 9,585 |
| Other civil..... | 2,420 | 2,454 | 2,684 |
| Major national security..... | 21,868 | 21,392 | 21,937 |
| Allowance for contingencies..... | | 75 | 200 |
| Total..... | 80,697 | 78,383 | 79,816 |
| Civil. | | | |
| Major national security..... | 34,269 | 32,736 | 34,249 |
| Major national security..... | 46,427 | 45,650 | 45,567 |

ADDITIONS TO FEDERAL ASSETS

Expenditures representing direct investment by the Federal Government in loans and federally owned physical assets are expected to amount to \$20 billion in 1961, compared to \$19.7 billion in 1960. As in other recent years, the bulk of the total (77% in 1961) is for major national security programs, mostly for military equipment. Public works account for under half (\$2.1 billion) of estimated additions to civil assets in 1961; the remainder consists mostly of civil loans (\$1.5 billion) and additions to inventories of farm commodities (\$0.9 billion).

SPECIAL ANALYSIS D—Continued

INVESTMENT, OPERATING, AND OTHER BUDGET EXPENDITURES—Continued

TABLE 2.—*Additions to Federal assets*
[In millions]

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|---------------|---------------|---------------|
| Loans: | | | |
| Civil | \$5,087 | \$648 | \$1,451 |
| Major national security | -25 | -18 | -16 |
| Public works—sites and direct construction: | | | |
| Civil | 1,506 | 1,875 | 2,131 |
| Major national security | 2,150 | 1,911 | 1,632 |
| Major commodity inventories—net change: | | | |
| Civil | 754 | 1,132 | 904 |
| Major national security | 253 | 192 | 110 |
| Major equipment: | | | |
| Civil | 61 | 89 | 93 |
| Major national security | 12,615 | 12,298 | 12,103 |
| Other physical assets—acquisition and improvement: | | | |
| Civil | 86 | 70 | 89 |
| Major national security | 1,516 | 1,522 | 1,467 |
| Total additions to Federal assets | 24,003 | 19,718 | 19,965 |

Loans.—Direct loans by Federal agencies consist primarily of loans to farmers and homeowners, to public and private agencies serving these two groups, and to foreign governments and private businesses. Although a few loan programs are on a nonrevolving basis, such as the Rural Electrification Administration and the Farmers Home Administration, most direct loan programs in the budget and in this special analysis are financed on a revolving fund basis so that net expenditures for loans as reported in this analysis reflect only a fraction of total direct Government lending activity. Although the 1961 budget proposes that some additional lending programs be placed on a revolving fund basis, the budget estimates for these programs are presented on the basis of existing law.

Net budget expenditures for loans in 1961 are estimated to be \$1.4 billion, compared to \$630 million in 1960. The largest single change by far reflects decreased loan repayments to the Commodity Credit Corporation. Loan repayments to this Corporation are expected to exceed disbursements by \$1 billion in 1960, but by only \$208 million in 1961. CCC loans are secured by agricultural commodities. Forfeitures of such collateral are regarded as loan repayments, but result in additions to CCC inventories shown elsewhere in this special analysis. Housing loans by the Veterans Administration are scheduled to decline sharply from net disbursements of \$253 million in 1960 to \$13 million in 1961, reflecting the end of the direct loan program on July 25, 1960. Other loans for housing programs, including mortgage purchases, will increase in 1961. Loans to foreign borrowers by the Export-Import Bank will increase by \$53 million and by the mutual security program by \$122 million in 1961. The Treasury, which paid \$1.4 billion in 1959 to increase the U.S. subscription to the International Monetary Fund, will pay \$80 million in 1960 for the first installment on the U.S. investment in the Inter-American Bank. These expenditures are nonrecurring.

Loans are classified in this special analysis as "additions to assets" because they are expected to result in receipts or recoveries to the Federal Government in future years. For the Nation as a whole, however, Government loan

activities may represent either current or future benefits depending on the character and purpose of the loan.

Public works—sites and direct construction.—Included in this category are Federal expenditures for sites, for Federal civil public works projects, and for military installations and other national security facilities, including those outside the continental United States. Estimated expenditures in 1961 for direct Federal public works are \$3.8 billion, about the same as in 1960. Civil public works expenditures will be about \$2.1 billion, which is \$257 million higher than in 1960, reflecting mainly increases for water resources projects, civilian space research facilities, Federal aviation facilities, and construction of office buildings for several executive agencies and the House of Representatives. Expenditures for water resources and related projects in 1961 will amount to approximately \$1.2 billion. Total outlays will be mostly for work already underway; starts on proposed new projects will entail estimated expenditures of \$258 million in 1961.

Major national security construction, which accounts for 43% of 1961 Federal public works, will decrease by \$279 million. Payments for airfield construction will decline by more than enough to offset increases for atomic energy construction, underground missile bases, and other military construction.

Major commodity inventories.—Net expenditures for major purchases of commodities held for resale or in stockpiles are expected to be \$1 billion in 1961, about \$310 million less than in 1960. Net additions to the inventory of farm commodities held by the Commodity Credit Corporation under its farm price-support program are estimated to amount to \$895 million, compared to \$1.1 billion in 1960. Expenditures for the stockpiling of strategic and critical materials (other than fissionable) and for purchases of defense materials are expected to decline from \$192 million in 1960 to \$110 million in 1961.

Major equipment.—Expenditures for major equipment are estimated at over \$12 billion in both 1960 and 1961. These expenditures are almost entirely for aircraft, missiles, ships, and other major national security equipment. Although expenditures for aircraft procurement will decline from the 1960 level, expenditures for tanks, vehicles, guns, and electronics devices will increase. Shipbuilding and missile procurement will call for about the same amount of expenditures as in 1960. While military missiles have many of the characteristics of expendable supplies such as ammunition, their acquisition cost is included in this analysis under "additions to assets" because they are in many cases replacing aircraft or other durable assets.

Expenditures for civilian space research equipment will increase by \$10 million in 1961. Purchases of office equipment, furniture, fixtures, automobiles, and similar items are not included in this category, but are treated as current operating expenses.

Other physical assets—acquisition and improvement.—Expenditures for other physical assets are estimated to be \$1.6 billion in 1961, about the same as in 1960. Of this amount, the major national security portion, which provides for the procurement of uranium concentrates and production of special nuclear materials and weapons by the Atomic Energy Commission, will decline. Civil expenditures in this category, which include reforestation and range improvements on Federal lands and real property acquired as collateral on defaulted loans, will increase.

SPECIAL ANALYSIS D—Continued

INVESTMENT, OPERATING, AND OTHER BUDGET EXPENDITURES—Continued

EXPENDITURES FOR OTHER DEVELOPMENTAL PURPOSES

This category includes Federal expenditures which add to the productivity of the economy over a period of years but which do not directly augment Federal physical and financial assets. Disbursements which appear to yield the bulk of their benefits in the current year are excluded, even though they may also contribute to the longer run economic development of the Nation.

TABLE 3.—*Expenditures for other developmental purposes*

[In millions]

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|-------------|---------------|---------------|
| State and local physical assets..... | \$291 | \$340 | \$331 |
| Private physical assets..... | 643 | 825 | 914 |
| Education, training, and health: | | | |
| Civil..... | 690 | 826 | 830 |
| Major national security..... | 11 | 13 | 14 |
| Research and development: | | | |
| Civil..... | 672 | 931 | 1,276 |
| Major national security..... | 5,681 | 6,552 | 6,601 |
| Engineering and natural resource surveys..... | 50 | 54 | 60 |
| Total expenditures for other developmental purposes..... | 8,039 | 9,540 | 10,025 |

State and local physical assets.—In 1961 the Federal Government will spend an estimated \$331 million for additions to physical assets of State and local governments, primarily through grants-in-aid for the construction of schools in federally affected areas, hospitals, airports, waste-treatment works, watershed protection projects, and other facilities. This amount excludes grants of \$2.7 billion in 1961 for the Federal-aid highway system, which are to be made from the separately financed Highway trust fund rather than from the budget.

Private physical assets.—Federal expenditures which directly augment privately owned physical assets consist predominantly of (1) payments and technical assistance for conservation and improvement of private farms, including cost sharing payments under the conservation reserve program and the agricultural conservation program; (2) grants to States for the building of private hospitals and other health facilities; and (3) construction subsidies for merchant ships. Total outlays in this category are estimated at \$914 million in 1961, compared to \$825 million in 1960.

Education, training, and health.—In 1961 an estimated \$844 million of budget expenditures will be devoted to education, training, and health. Most of these programs are conducted through grants to State and local governments. These include school operating aid to local school districts affected by the presence of Federal Government installations, grants under the National Defense Education Act of 1958, and grants to States for public health, vocational education, maternal and child welfare, and agricultural extension work. A number of programs classified elsewhere in this special analysis also have developmental aspects which are, however, secondary to their principal purposes. Examples are the veterans educational activities, the operating expenses of hospital services and medical care programs, and the training of military and civilian personnel in Government service.

Research and development.—The Federal Government also contributes to technological progress through the conduct of varied programs of research and development. Expenditures for these programs are estimated at \$7.9 billion in 1961, \$394 million more than in 1960, not including

expenditures for research and development equipment and facilities shown elsewhere in this special analysis. Most of the 1961 total will be devoted to the research and development activities of the Department of Defense and the Atomic Energy Commission, where the emphasis will be on missiles, nuclear propulsion systems, and civilian electric power reactors. The support of nonmilitary space projects carried on by the National Aeronautics and Space Administration will require estimated expenditures of \$503 million in 1961, nearly double the 1960 amount. Other research and development programs include—but are not limited to—health research, research in new uses of farm products, basic research in agriculture and science, and research on production and utilization of mineral products.

Engineering and natural resource surveys.—An estimated \$60 million of expenditures in 1961 will be devoted to investigations and surveys for public works programs, topographic mapping, geologic and mineral resource surveys, land classification, forest investigations, and other basic surveys. The largest programs of these types are administered by the Geological Survey, the Bureau of Reclamation, the Coast and Geodetic Survey, and the Corps of Engineers.

CURRENT EXPENSES FOR AIDS AND SPECIAL SERVICES

Included in this category are expenditures which provide aids or special services to specific economic groups primarily in the current year, including administrative and other operating expenses attributable to the investment-type programs discussed previously and the costs of maintaining the related physical assets. Benefits accruing to various groups through tax provisions or other Government aids which do not call for expenditures are not included in this analysis.

Significant amounts of expenditures from certain of the trust funds might also be considered as yielding current aid to specific economic groups. For example, trust fund payments in 1961 are expected to include \$11.1 billion in old-age and survivors insurance benefits, \$576 million in disability insurance benefits, \$970 million in railroad retirement benefits, and \$1.8 billion in withdrawals by States to pay unemployment benefits. (See part III, especially pages 842–844, for a more complete treatment of trust fund transactions.) However, these amounts are excluded from special analysis D, which is confined to an analysis of budget expenditures. Budget expenditures for aids and special services are estimated at \$15.4 billion in 1961, compared to \$15.8 billion in 1960.

TABLE 4.—*Current expenses for aids and special services*

[In millions]

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|-------------|---------------|---------------|
| Agriculture..... | \$3,484 | \$3,568 | \$3,433 |
| Business: | | | |
| Civil..... | 1,451 | 1,343 | 865 |
| Major national security..... | 42 | 9 | -1 |
| Labor..... | 761 | 327 | 337 |
| Homeowners and tenants..... | -4 | 64 | 40 |
| Veterans..... | 4,972 | 4,947 | 5,247 |
| International: | | | |
| Civil..... | 1,437 | 1,380 | 1,400 |
| Major national security..... | 2,316 | 1,779 | 1,720 |
| Other aids and special services..... | 2,237 | 2,403 | 2,379 |
| Total current expenses for aids and special services..... | 16,697 | 15,820 | 15,420 |

SPECIAL ANALYSIS D—Continued

INVESTMENT, OPERATING, AND OTHER BUDGET EXPENDITURES—Continued

Agriculture.—Budget expenditures for current aids and services to farmers are estimated at \$3.4 billion in 1961, compared to \$3.6 billion in 1960. These expenditures consist chiefly of costs and losses stemming from the price support program and the sale of surplus commodities for foreign currencies.

Farmers also derive particular benefits from major expenditures classified elsewhere in this analysis, such as expenditures for loans, conservation payments, water development projects, the school lunch program, and various international and other programs not designed primarily for the support of agriculture.

Business.—Expenditures primarily benefiting private business are estimated at \$864 million in 1961 and \$1.4 billion in 1960. The decrease reflects mainly the proposed increase in postal rates designed to eliminate the postal service deficit now covered by budgetary expenditures. The major expenditures in this category are for aids to air and sea navigation and for maritime operating subsidies.

Labor.—The largest current Federal expenditure benefiting labor in 1961 is for the Federal-State program of unemployment insurance and public employment offices. The Federal Government, through the Department of Labor, makes grants to the States to cover the full cost of administering these services; in 1961 these grants are estimated at \$303 million, which is 90% of the total estimated expenditures of \$337 million benefiting labor. Other expenses for aids and special services to labor include the mine safety work of the Bureau of Mines and certain administrative expenses of the Department of Labor.

Homeowners and tenants.—Loans and mortgage purchases for the benefit of homeowners and tenants are classified in this analysis as additions to Federal assets; expenditures classified as yielding current benefits to these groups consist chiefly of (1) annual contributions to local authorities for low-rent public housing projects; (2) grants for the capital losses of slum clearance and urban renewal projects; and (3) administrative expenses for all housing programs. Receipts from the insurance of mortgages and saving and loan share accounts and the earnings from holdings of mortgages and other housing loans offset most current expenditures for housing in both 1960 and 1961.

Veterans.—Expenditures for current aids and services to veterans are estimated at \$5.2 billion in 1961, an increase of \$300 million over 1960; practically all the increase results from higher pension payments. Compensation and pension benefits combined account for more than 70% of estimated total expenditures in this category in 1961. Compensation payments made for disabilities or deaths resulting from service will be at about the same level in 1961 as in 1960; expenditures for non-service-connected pensions will increase by \$438 million.

Other aids to veterans include hospital and medical care for veterans of all wars and readjustment benefits, which in 1961 will be mainly for those who served in the Korean conflict. The readjustment benefits include education and training for veterans who enroll in schools and colleges, vocational training on the job or farm, and veterans loan-guarantee programs.

International.—Almost all the estimated expenditures in this category in 1961 will be for grants under the mutual

security program. Expenditures of \$1.7 billion are estimated in 1961 for the military assistance portion of the program, under which military equipment and training is furnished to friendly nations. Expenditures of \$1.3 billion are expected in 1961 for the economic portion of the program, under which friendly nations are helped to develop their economies so as to maintain political and economic stability and meet the economic burdens imposed by the maintenance of adequate defense forces. The amounts in the present category are in addition to loans to foreign countries, which were included above as additions to Federal assets.

Other aids and special services.—Many other Federal programs involve budget expenditures for current aids and special services for more than one of the above groups or for other groups. The bulk of these expenditures consists of grants to help provide public assistance to the needy, including the aged, the blind, the permanently and totally disabled, and dependent children. Other major programs include grants to States to help finance low-priced school lunches, hospital operation and medical care by the Public Health Service, and various aids to Indians. Expenditures in this category are expected to amount to \$2.4 billion in 1961, about the same as in 1960.

OTHER SERVICES AND CURRENT OPERATING EXPENSES

Expenses for operation and maintenance of military facilities and for pay and subsistence of military personnel comprise about 65% of the total spending estimated for this category in 1961. By far the largest component of civil expenditures is interest, which accounts for about 30% of the total.

TABLE 5.—*Other services and current operating expenses*

[In millions]

| | 1959 actual | 1960 estimate | 1961 estimate |
|---|-------------|---------------|---------------|
| Repair, maintenance, and operation of physical assets: | | | |
| Civil..... | \$308 | \$324 | \$336 |
| Major national security..... | 10,249 | 9,614 | 9,983 |
| Regulation and control..... | 571 | 588 | 622 |
| Operation and administration of other civil activities..... | 1,541 | 1,542 | 1,726 |
| Other major national security operation and administration..... | 11,619 | 11,778 | 11,954 |
| Interest..... | 7,671 | 9,385 | 9,585 |
| Total other services and current operating expenses..... | 31,959 | 33,230 | 34,206 |

Repair, maintenance, and operation of physical assets.—Expenditures to repair, maintain, and operate physical assets are predominantly for the national military establishment and for general purpose public buildings. Also included in this category are expenses for operating and maintaining atomic energy facilities, flood control reservoirs, irrigation works, power facilities, public lands, and national forests. Total outlays for these purposes are estimated at \$9.9 billion in 1960 and \$10.3 billion in 1961. Where special groups are the main beneficiaries, such as veterans in the case of veterans hospitals, repair

SPECIAL ANALYSIS D—Continued

INVESTMENT, OPERATING, AND OTHER BUDGET EXPENDITURES—Continued

and maintenance outlays are not included in the present category but as "aids and special services" discussed above.

Regulation and control.—Most of the major departments and agencies and many smaller agencies have regulatory or law-enforcement responsibilities. These include the law-enforcement activities of the Department of Justice, the Treasury Department, and the judiciary, as well as the operations of the independent regulatory agencies. Expenditures for regulation and control are estimated to total \$622 million in 1961, compared to \$588 million in 1960.

Operation and administration of other civil activities.—All other governmentwide or multipurpose expenditures for civil programs are estimated to total \$1.5 billion in 1960 and \$1.7 billion in 1961. These cover expenditures for the legislative branch; the conduct of foreign affairs; tax collection, public debt management, and other financing activities; central procurement and recordkeeping; accident and unemployment compensation payments for Federal employees; and various other direct Federal programs not elsewhere classified. Federal Government con-

tributions as employer to the Civil service retirement and disability fund, formerly included in this category, are now allocated along with other employee compensation costs among the various disbursing agencies and programs. Such payments total an estimated \$0.8 billion in 1961.

Other major national security operation and administration.—These expenditures are estimated to increase from \$11.8 billion in 1960 to \$12 billion in 1961. They represent mainly pay and subsistence for military personnel together with smaller but substantial expenditures for civilian reserve components, industrial mobilization, and various departmentwide activities of the Department of Defense.

Interest.—Interest expenditures consist almost entirely of interest payments on the public debt. A minor proportion is for interest on refunds of receipts and on certain uninvested funds deposited with the Treasury. Because of the higher interest rates on new securities issued to refund maturing obligations, expenditures for interest are expected to rise from \$9.4 billion in 1960 to \$9.6 billion in 1961.

SPECIAL ANALYSIS D—Continued

INVESTMENT, OPERATING, AND OTHER BUDGET EXPENDITURES—Continued

Based on existing and proposed legislation

[In millions]

| | 1959 actual | 1960 estimate | 1961 estimate | | 1959 actual | 1960 estimate | 1961 estimate |
|--|----------------|------------------|------------------|--|----------------|------------------|------------------|
| ADDITIONS TO FEDERAL ASSETS | | | | | | | |
| Loans: | | | | | | | |
| Civil: | | | | | | | |
| To domestic private borrowers: | | | | | | | |
| Small Business Administration..... | \$104 | \$94 | \$105 | | | | |
| Veterans Administration: | | | | | | | |
| Housing loans..... | 129 | 253 | 13 | | | | |
| Other..... | 90 | 100 | 102 | | | | |
| Housing and Home Finance Agency: | | | | | | | |
| Federal National Mortgage Association..... | 858 | 136 | 83 | | | | |
| College housing loans..... | 72 | 73 | 60 | | | | |
| Federal Housing Administration..... | 20 | 24 | 18 | | | | |
| Other..... | -21 | -166 | -3 | | | | |
| Department of Agriculture: | | | | | | | |
| Commodity Credit Corporation: Price support and grain storage loans..... | 1,082 | -1,005 | -208 | | | | |
| Farmers Home Administration..... | 275 | 247 | 215 | | | | |
| Rural Electrification Administration..... | 305 | 325 | 345 | | | | |
| Department of Health, Education, and Welfare: | | | | | | | |
| Defense educational activities..... | 31 | 38 | 51 | | | | |
| Treasury Department..... | -10 | -7 | -7 | | | | |
| Other agencies..... | -7 | 9 | 2 | | | | |
| Total to domestic private borrowers, civil..... | 2,928 | 121 | 776 | | | | |
| To State and local governments: | | | | | | | |
| For public works: | | | | | | | |
| Housing and Home Finance Agency: | | | | | | | |
| College housing loans..... | 108 | 110 | 89 | | | | |
| Public facility loans..... | 21 | 25 | 24 | | | | |
| Other..... | 1 | 13 | 9 | | | | |
| Department of the Interior..... | 8 | 13 | 20 | | | | |
| District of Columbia..... | 3 | 7 | 13 | | | | |
| Other agencies..... | 2 | 2 | 9 | | | | |
| For other than public works: | | | | | | | |
| Housing and Home Finance Agency..... | 2 | 56 | 19 | | | | |
| Other agencies..... | (1) | 1 | 4 | | | | |
| Total to State and local governments, civil..... | 144 | 227 | 187 | | | | |
| To foreign borrowers: | | | | | | | |
| Funds appropriated to the President: Mutual security—economic..... | 127 | 225 | 347 | | | | |
| Export-Import Bank of Washington..... | 467 | 31 | 84 | | | | |
| Treasury Department: | | | | | | | |
| International Monetary Fund..... | 1,375 | ----- | ----- | | | | |
| Inter-American Development Bank..... | ----- | 80 | ----- | | | | |
| Total to foreign borrowers, civil..... | 1,969 | 337 | 431 | | | | |
| To quasi-public institutions and trust funds..... | 46 | -37 | 57 | | | | |
| Total loans, civil..... | 5,087 | 648 | 1,451 | | | | |
| Major national security: | | | | | | | |
| To domestic private borrowers: Funds appropriated to the President: Expansion of defense production..... | -21 | -14 | -11 | | | | |
| To foreign borrowers..... | -4 | -4 | -4 | | | | |
| Total loans, major national security..... | -25 | -18 | -16 | | | | |
| Total loans..... | 5,062 | 630 | 1,435 | | | | |
| Public works—sites and direct construction: | | | | | | | |
| Civil: | | | | | | | |
| Research and development facilities: | | | | | | | |
| National Aeronautics and Space Administration..... | 25 | 45 | 75 | | | | |
| Department of Agriculture..... | 7 | 12 | 8 | | | | |
| Other agencies..... | 14 | 25 | 31 | | | | |
| Total research and development facilities..... | 46 | 82 | 114 | | | | |

¹ Less than one-half million dollars.

SPECIAL ANALYSIS D—Continued

INVESTMENT, OPERATING, AND OTHER BUDGET EXPENDITURES—Continued

Based on existing and proposed legislation—Continued

[In millions]

| | 1959 actual | 1960 estimate | 1961 estimate | | 1959 actual | 1960 estimate | 1961 estimate |
|--|----------------|------------------|------------------|---|----------------|------------------|------------------|
| ADDITIONS TO FEDERAL ASSETS—Continued | | | | ADDITIONS TO FEDERAL ASSETS—Continued | | | |
| Major commodity inventories: | | | | Other physical assets—acquisition and improvement—Continued | | | |
| Civil: | | | | Major national security: | | | |
| Executive Office of the President: Office of Civil and Defense Mobilization..... | \$10 | \$13 | \$9 | Atomic Energy Commission..... | \$1,500 | \$1,490 | \$1,425 |
| Department of Agriculture: Commodity Credit Corporation: Agricultural commodities..... | 740 | 1,120 | 895 | Department of Defense—Military: Working capital (revolving) funds..... | 16 | 32 | 42 |
| Other agencies..... | 4 | —2 | — | Total other physical assets, major national security..... | 1,516 | 1,522 | 1,467 |
| Total major commodity inventories, civil..... | 754 | 1,132 | 904 | Total other physical assets—acquisition and improvement..... | 1,602 | 1,591 | 1,557 |
| Major national security: | | | | Total additions to Federal assets..... | 24,003 | 19,718 | 19,965 |
| Funds appropriated to the President: Expansion of defense production..... | 221 | 178 | 106 | EXPENDITURES FOR OTHER DEVELOPMENTAL PURPOSES | | | |
| General Services Administration: Stockpiling of strategic and critical materials..... | 32 | 14 | 4 | State and local physical assets: | | | |
| Total major commodity inventories, major national security..... | 253 | 192 | 110 | Grants-in-aid: | | | |
| Total major commodity inventories..... | 1,007 | 1,324 | 1,014 | For public works, research and development facilities: Department of Health, Education, and Welfare..... | 8 | 11 | 13 |
| Major equipment: | | | | For public works, other than research and development facilities: | | | |
| Civil: | | | | Federal Aviation Agency..... | 57 | 72 | 81 |
| Research and development facilities: | | | | Department of Agriculture: Flood prevention and watershed protection..... | 23 | 32 | 36 |
| National Aeronautics and Space Administration..... | 6 | 12 | 22 | Department of Commerce: Forest and public lands highways ¹ | 25 | 35 | — |
| Other agencies..... | 3 | 5 | 6 | Department of Health, Education, and Welfare: School construction in federally affected areas..... | 66 | 62 | 61 |
| Total research and development facilities..... | 9 | 17 | 28 | Hospital construction..... | 61 | 64 | 72 |
| Other than research and development facilities: | | | | Waste treatment works construction..... | 36 | 45 | 45 |
| Department of Commerce: | | | | Other..... | (1) | — | — |
| Merchant ships..... | 22 | 27 | 26 | Other agencies..... | 6 | 7 | 6 |
| Other..... | 5 | 4 | 6 | Total other than research and development facilities..... | 274 | 317 | 301 |
| Federal Aviation Agency..... | 10 | 7 | 11 | Total for public works..... | 282 | 328 | 313 |
| Treasury Department: Coast Guard..... | 6 | 25 | 15 | For other than public works other than research and development facilities: | | | |
| Other agencies..... | 9 | 9 | 7 | Office of Civil and Defense Mobilization..... | 8 | 12 | 16 |
| Total other than research and development facilities..... | 52 | 72 | 65 | Other..... | (1) | (1) | 1 |
| Total major equipment, civil..... | 61 | 89 | 93 | Total for other than public works..... | 9 | 12 | 17 |
| Major national security: | | | | Total State and local physical assets, grants-in-aid ² | 291 | 340 | 331 |
| Research and development facilities: Atomic Energy Commission..... | 42 | 48 | 45 | Private physical assets, civil: | | | |
| Other than research and development facilities: | | | | Direct Federal programs: | | | |
| Funds appropriated to the President..... | (1) | —1 | (1) | Research and development facilities: | | | |
| Atomic Energy Commission..... | 31 | 33 | 35 | Department of Health, Education, and Welfare..... | 15 | 15 | 16 |
| Department of Defense—Military..... | 12,542 | 12,218 | 12,024 | National Science Foundation..... | 5 | 7 | 16 |
| Total other than research and development facilities, major national security..... | 12,573 | 12,250 | 12,058 | Total research and development facilities..... | 20 | 21 | 32 |
| Total major equipment, major national security..... | 12,615 | 12,298 | 12,103 | Other than research and development facilities: | | | |
| Total major equipment..... | 12,676 | 12,387 | 12,196 | Department of Agriculture: | | | |
| Other physical assets—acquisition and improvement: | | | | Agricultural conservation assistance..... | 239 | 243 | 245 |
| Civil: | | | | Soil Conservation Service..... | 95 | 90 | 94 |
| Veterans Administration: | | | | Commodity Stabilization Service: Conservation reserve..... | 171 | 335 | 394 |
| Readjustment benefits..... | 32 | 4 | 12 | Commodity Credit Corporation: Loans to Secretary of Agriculture for agricultural conservation purposes..... | 7 | 1 | —12 |
| Other..... | (1) | (1) | (1) | | | | |
| Housing and Home Finance Agency..... | 10 | 16 | 22 | | | | |
| Department of the Interior: | | | | | | | |
| Bureau of Land Management..... | 20 | 20 | 20 | | | | |
| Other..... | 12 | 14 | 17 | | | | |
| Other agencies..... | 12 | 16 | 18 | | | | |
| Total other physical assets, civil..... | 86 | 70 | 89 | | | | |

¹ Less than one-half million dollars.² Expenditures for these programs are included in Highway trust fund expenditures in 1961.³ Excludes highway construction grants of \$2,584 million in 1959, \$2,993 million in 1960, and \$2,698 million in 1961 made from the Highway trust fund.

SPECIAL ANALYSIS D—Continued

INVESTMENT, OPERATING, AND OTHER BUDGET EXPENDITURES—Continued

Based on existing and proposed legislation—Continued

[In millions]

| | 1959 actual | 1960 estimate | 1961 estimate | | 1959 actual | 1960 estimate | 1961 estimate |
|--|----------------|------------------|------------------|--|----------------|------------------|------------------|
| EXPENDITURES FOR OTHER DEVELOPMENTAL PURPOSES—Continued | | | | | | | |
| Private physical assets, civil—Continued | | | | Research and development—Continued | | | |
| Direct Federal programs—Continued | | | | Civil—Continued | | | |
| Other than research and development facilities—Continued | | | | Direct Federal programs—Continued | | | |
| Department of Commerce: Merchant ships..... | \$28 | \$50 | \$68 | Department of the Interior: | | | |
| Other agencies..... | 6 | 4 | 4 | Bureau of Mines..... | \$23 | \$23 | \$23 |
| Total other than research and development facilities..... | 546 | 723 | 793 | Geological Survey..... | 41 | 40 | 40 |
| Total direct Federal programs..... | 566 | 745 | 825 | Fish and Wildlife Service..... | 11 | 11 | 11 |
| Grants-in-aid: Other than research and development facilities: | | | | Other..... | 2 | 2 | 3 |
| Department of Health, Education, and Welfare: | | | | Post Office Department..... | 6 | 8 | 12 |
| Private hospital construction..... | 74 | 79 | 88 | Other agencies..... | 20 | 23 | 28 |
| Other agencies..... | 3 | 1 | 1 | Total direct Federal programs..... | 630 | 888 | 1,234 |
| Total grants-in-aid..... | 77 | 80 | 89 | Grants-in-aid: | | | |
| Total private physical assets, civil..... | 643 | 825 | 914 | Department of Agriculture: | | | |
| Education, training, and health: | | | | Agricultural Research Service..... | 31 | 31 | 32 |
| Civil: | | | | Other..... | 1 | 1 | 1 |
| Direct Federal programs. | | | | Other agencies..... | 10 | 11 | 9 |
| National Science Foundation..... | 51 | 54 | 59 | Total grants-in-aid..... | 42 | 43 | 42 |
| Department of Health, Education, and Welfare: | | | | Total research and development, civil..... | 672 | 931 | 1,276 |
| Public Health Service..... | 132 | 182 | 175 | Major national security: | | | |
| Office of Education..... | 17 | 34 | 48 | Atomic Energy Commission..... | 700 | 790 | 836 |
| Other..... | 13 | 15 | 17 | Department of Defense—Military: | | | |
| Department of the Interior: Bureau of Indian Affairs..... | 44 | 44 | 46 | Military personnel: Research and development..... | 224 | 227 | 233 |
| Other agencies..... | 19 | 20 | 20 | Procurement: Test and evaluation support..... | 1,867 | 1,824 | 1,580 |
| Total direct Federal programs..... | 276 | 349 | 365 | Research, development, test, and evaluation..... | 2,859 | 3,680 | 3,917 |
| Grants-in-aid: | | | | Mutual security—Military, research..... | 31 | 30 | 35 |
| Department of Agriculture: Cooperative extension work..... | 61 | 62 | 65 | Total research and development, major national security..... | 5,681 | 6,552 | 6,601 |
| Department of Health, Education, and Welfare: | | | | Total research and development..... | 6,354 | 7,483 | 7,877 |
| School operation in federally affected areas..... | 132 | 151 | 126 | Engineering and natural resource surveys: | | | |
| Defense educational activities..... | 44 | 73 | 83 | Direct Federal programs: | | | |
| Vocational and other education and training..... | 95 | 103 | 103 | Department of Commerce: Coast and Geodetic Survey..... | 12 | 13 | 17 |
| Health and child care..... | 77 | 81 | 81 | Department of the Interior..... | 17 | 16 | 17 |
| Other agencies..... | 5 | 7 | 6 | Other agencies..... | 19 | 22 | 21 |
| Total grants-in-aid..... | 414 | 477 | 464 | Total direct Federal programs..... | 48 | 51 | 55 |
| Total education, training, and health, civil..... | 690 | 826 | 830 | Grants-in-aid: | | | |
| Major national security: Atomic Energy Commission..... | 11 | 13 | 14 | Total engineering and natural resource surveys..... | 50 | 54 | 60 |
| Total education, training, and health..... | 701 | 839 | 844 | Total expenditures for other developmental purposes..... | 8,039 | 9,540 | 10,025 |
| Research and development: | | | | CURRENT EXPENSES FOR AIDS AND SPECIAL SERVICES | | | |
| Civil: | | | | Agriculture: | | | |
| Direct Federal programs: | | | | Direct Federal programs: | | | |
| Federal Aviation Agency..... | 21 | 37 | 52 | Department of Agriculture: | | | |
| National Aeronautics and Space Administration..... | 115 | 268 | 503 | Commodity Credit Corporation: | | | |
| National Science Foundation..... | 47 | 58 | 79 | Sales for foreign currency..... | 1,022 | 1,055 | 1,172 |
| Veterans Administration..... | 16 | 18 | 16 | Price support, supply, and related programs..... | 872 | 1,589 | 1,487 |
| Department of Agriculture: | | | | Transfer to supplemental stockpile..... | 315 | 237 | 127 |
| Agricultural Research Service..... | 62 | 64 | 75 | National Wool Act..... | 20 | 94 | 70 |
| Forest Service..... | 11 | 11 | 12 | Soil bank programs..... | 68 | 35 | — |
| Other..... | 10 | 10 | 10 | International Wheat Agreement..... | 48 | 49 | 68 |
| Department of Commerce: | | | | Other..... | 33 | 6 | -2 |
| National Bureau of Standards..... | 10 | 14 | 17 | Commodity Stabilization Service: | | | |
| Other..... | 10 | 12 | 14 | Acreage reserve..... | 609 | — | — |
| Department of Health, Education, and Welfare: | | | | Sugar Act..... | 67 | 74 | 78 |
| Public Health Service..... | 216 | 279 | 314 | Other..... | -3 | 3 | — |
| Other..... | 9 | 10 | 25 | | | | |

SPECIAL ANALYSIS D—Continued

INVESTMENT, OPERATING, AND OTHER BUDGET EXPENDITURES—Continued

Based on existing and proposed legislation—Continued

[In millions]

| | 1959 actual | 1960 estimate | 1961 estimate | | 1959 actual | 1960 estimate | 1961 estimate |
|--|----------------|------------------|------------------|---|----------------|------------------|------------------|
| CURRENT EXPENSES FOR AIDS AND SPECIAL SERVICES—Continued | | | | CURRENT EXPENSES FOR AIDS AND SPECIAL SERVICES—Continued | | | |
| Agriculture—Continued | | | | Homeowners and tenants: | | | |
| Direct Federal programs—Continued | | | | Direct Federal programs: | | | |
| Department of Agriculture—Continued | | | | Federal Home Loan Bank Board..... | -\$41 | -\$50 | -\$85 |
| Agricultural Research Service..... | \$46 | \$40 | \$41 | Housing and Home Finance Agency: | | | |
| Agricultural Marketing Service..... | 42 | 34 | 36 | Federal National Mortgage Association..... | -58 | -39 | -22 |
| Farmers Home Administration..... | 32 | 31 | 32 | Federal Housing Administration..... | -98 | -128 | -163 |
| Federal Crop Insurance Corporation..... | -15 | -7 | 1 | Other..... | 7 | 13 | 11 |
| Foreign Agricultural Service..... | 4 | 6 | 17 | Other agencies..... | (1) | (1) | (1) |
| Rural Electrification Administration..... | 10 | 9 | 10 | Total direct Federal programs..... | -190 | -204 | -259 |
| Other..... | 19 | 19 | 17 | | | | |
| Other agencies..... | 3 | 5 | 5 | | | | |
| Total direct Federal programs..... | 3,192 | 3,279 | 3,159 | | | | |
| Grants-in-aid: Department of Agriculture: | | | | Grants-in-aid: Housing and Home Finance Agency: | | | |
| Removal of surplus agricultural commodities..... | 127 | 105 | 105 | Public housing..... | 111 | 120 | 146 |
| Commodity Credit Corporation..... | 154 | 173 | 158 | Urban renewal fund..... | 76 | 140 | 150 |
| Forest Service..... | 11 | 11 | 11 | Other..... | | 8 | 3 |
| Total grants-in-aid..... | 292 | 289 | 274 | Total grants-in-aid..... | 186 | 268 | 299 |
| Total agriculture..... | 3,484 | 3,568 | 3,433 | Total homeowners and tenants..... | -4 | 64 | 40 |
| Business: | | | | | | | |
| Civil: | | | | Veterans: | | | |
| Direct Federal programs: | | | | Direct Federal programs: | | | |
| Civil Aeronautics Board: Payments to air carriers..... | 53 | 60 | 69 | Veterans Administration: | | | |
| Federal Aviation Agency..... | 228 | 283 | 341 | Readjustment benefits..... | 585 | 456 | 325 |
| Small Business Administration..... | 6 | 3 | 11 | Compensation and pensions..... | 3,275 | 3,407 | 3,840 |
| Department of Commerce: | | | | Hospital and medical care..... | 852 | 873 | 903 |
| Maritime activities: Ship operating subsidies and administration..... | 133 | 165 | 153 | Insurance..... | 35 | 36 | 31 |
| Patent Office..... | 21 | 21 | 22 | Other..... | 163 | 150 | 130 |
| Other..... | 29 | 28 | 29 | Department of Labor: | | | |
| Department of Defense—Civil: | | | | Unemployment compensation for veterans..... | 44 | 8 | |
| Rivers and harbors and flood control, Department of the Army: Maintenance and operation..... | 72 | 83 | 86 | Other..... | 3 | 1 | 1 |
| Panama Canal Company..... | -6 | -13 | -11 | Other agencies..... | 7 | 8 | 9 |
| Other..... | -2 | -1 | -1 | Total direct Federal programs..... | 4,964 | 4,939 | 5,238 |
| Post Office Department..... | 736 | 525 | -43 | Grants-in-aid: Veterans Administration..... | 8 | 8 | 8 |
| Treasury Department: Coast Guard: Navigation aids..... | 177 | 184 | 201 | Total veterans..... | 4,972 | 4,947 | 5,247 |
| Other agencies..... | 4 | 4 | 5 | | | | |
| Total civil, direct Federal programs..... | 1,451 | 1,343 | 861 | | | | |
| Grants-in-aid: Department of Commerce..... | | | 4 | | | | |
| Total civil..... | 1,451 | 1,343 | 865 | International: | | | |
| Major national security: Funds appropriated to the President: Expansion of defense production: Administrative expenses and losses on transactions..... | 42 | 9 | -1 | Civil: | | | |
| Total business..... | 1,493 | 1,352 | 864 | Funds appropriated to the President: | | | |
| Labor: | | | | Mutual security—economic..... | 1,390 | 1,318 | 1,347 |
| Direct Federal programs: | | | | Other..... | (1) | (1) | |
| Department of Labor: | | | | Export-Import Bank of Washington..... | -77 | -87 | -91 |
| Temporary unemployment compensation..... | 447 | -7 | | Department of Agriculture: Commodity Credit Corporation: Emergency famine relief to friendly peoples..... | 98 | 115 | 120 |
| Other..... | 12 | 13 | 14 | Department of Commerce: Inter-American Highway..... | 16 | 23 | 10 |
| Other agencies..... | 5 | 5 | 20 | Other agencies..... | 10 | 11 | 14 |
| Total direct Federal programs..... | 464 | 11 | 34 | Total international, civil..... | 1,437 | 1,380 | 1,400 |
| Grants-in-aid: Department of Labor: Administration of unemployment compensation and employment service..... | 297 | 315 | 303 | | | | |
| Total labor..... | 761 | 327 | 337 | Major national security: Department of Defense—Military: | | | |
| | | | | Military assistance..... | 2,309 | 1,770 | 1,715 |
| | | | | Military construction (infrastructure)..... | 7 | 8 | 5 |
| | | | | Total international, major national security..... | 2,316 | 1,779 | 1,720 |
| | | | | Total international..... | 3,753 | 3,159 | 3,120 |
| | | | | Other aids and special services: | | | |
| | | | | Direct Federal programs: | | | |
| | | | | Department of Health, Education, and Welfare: | | | |
| | | | | Public Health Service..... | 48 | 49 | 49 |
| | | | | Other..... | 15 | 16 | 16 |
| | | | | Department of the Interior: Bureau of Indian Affairs..... | 37 | 30 | 30 |
| | | | | Department of Commerce: Bureau of the Census..... | 8 | 76 | 25 |

¹ Less than one-half million dollars.

SPECIAL ANALYSIS D—Continued

INVESTMENT, OPERATING, AND OTHER BUDGET EXPENDITURES—Continued

Based on existing and proposed legislation—Continued

[In millions]

| | 1959 actual | 1960 estimate | 1961 estimate | | 1959 actual | 1960 estimate | 1961 estimate |
|---|----------------|------------------|------------------|--|----------------|------------------|------------------|
| CURRENT EXPENSES FOR AIDS AND SPECIAL SERVICES—Continued | | | | OTHER SERVICES AND CURRENT OPERATING EXPENSES—Continued | | | |
| Other aids and special services—Continued | | | | Regulation and control—Continued | | | |
| Direct Federal programs—Continued | | | | Department of Health, Education, and Welfare: | | | |
| Department of Labor: Bureau of Labor Statistics | \$7 | \$9 | \$10 | Food and Drug Administration | \$10 | \$13 | \$15 |
| Other agencies | 7 | 8 | 8 | Other | (1) | (1) | (1) |
| Total direct Federal programs | 122 | 189 | 138 | Department of Justice: | | | |
| Grants-in-aid: | | | | Federal Bureau of Investigation | 111 | 114 | 118 |
| Department of Agriculture: School lunch program | 142 | 152 | 149 | Legal activities and general administration | 45 | 44 | 47 |
| Department of Health, Education, and Welfare: | | | | Immigration and Naturalization Service | 55 | 55 | 58 |
| Public assistance | 1,966 | 2,053 | 2,083 | Federal prisons | 35 | 39 | 40 |
| Other | 1 | 2 | 1 | Other | (1) | (1) | (1) |
| Other agencies | 5 | 8 | 8 | Department of Labor: Wage and Hour Division and Solicitor | 10 | 13 | 15 |
| Total grants-in-aid | 2,114 | 2,214 | 2,240 | Treasury Department: | | | |
| Total other aids and special services | 2,237 | 2,403 | 2,379 | Bureau of Customs | 54 | 54 | 55 |
| Total current expenses for aids and special services | 16,697 | 15,820 | 15,420 | Coast Guard | 20 | 20 | 22 |
| OTHER SERVICES AND CURRENT OPERATING EXPENSES | | | | Other | 10 | 9 | 9 |
| Repair, maintenance, and operation of physical assets (excluding special services): | | | | Other agencies | 41 | 41 | 43 |
| Civil: | | | | Total regulation and control | 571 | 588 | 622 |
| Tennessee Valley Authority | -109 | -114 | -119 | Operation and administration of other civil activities: | | | |
| General Services Administration | 152 | 166 | 178 | International activities: | | | |
| Department of Agriculture: Forest Service | 89 | 99 | 92 | Funds appropriated to the President | 8 | 7 | 8 |
| Department of Defense—Civil: Rivers and harbors and flood control, Department of the Army | 58 | 54 | 54 | United States Information Agency | 103 | 103 | 111 |
| Department of the Interior: | | | | Department of State: | | | |
| Bureau of Reclamation | 35 | 34 | 37 | Salaries and expenses, Foreign affairs administration | 115 | 118 | 124 |
| National Park Service | 28 | 29 | 29 | International organizations and conferences | 51 | 59 | 54 |
| Fish and Wildlife Service | 10 | 11 | 12 | Educational exchange | 22 | 24 | 36 |
| Power marketing agencies | 14 | 16 | 18 | Payment to the Philippine Government | 24 | — | 49 |
| Other | 2 | 1 | 1 | Other | 6 | 2 | 3 |
| Other agencies | 29 | 27 | 33 | Total international activities | 329 | 313 | 385 |
| Total repair, maintenance, and operation, civil | 308 | 324 | 336 | Federal financial activities: | | | |
| Major national security: | | | | General Accounting Office | 40 | 40 | 41 |
| Atomic Energy Commission | 50 | 53 | 56 | Renegotiation Board and Tax Court of the United States | 5 | 4 | 4 |
| Department of Defense—Military: | | | | Treasury Department: | | | |
| Operation and maintenance | 10,384 | 10,137 | 10,321 | Internal Revenue Service | 367 | 361 | 390 |
| Working capital (revolving) funds | -185 | -576 | -394 | Bureau of Accounts | 24 | 26 | 27 |
| Total repair, maintenance, and operation, major national security | 10,249 | 9,614 | 9,983 | Bureau of the Public Debt | 49 | 47 | 47 |
| Total repair, maintenance, and operation of physical assets | 10,556 | 9,938 | 10,318 | Office of the Treasurer | 18 | 17 | 17 |
| Regulation and control: | | | | Other | 9 | 10 | 8 |
| The Judiciary | 47 | 49 | 52 | Total Federal financial activities | 511 | 506 | 535 |
| Federal Aviation Agency | 18 | 22 | 25 | Other direct Federal programs: | | | |
| Federal Communications Commission | 10 | 10 | 11 | Legislative branch | 94 | 92 | 96 |
| Interstate Commerce Commission | 19 | 20 | 21 | Executive Office of the President: | | | |
| National Labor Relations Board | 13 | 15 | 17 | Office of Civil and Defense Mobilization | 22 | 27 | 34 |
| Department of Agriculture: | | | | Other | 10 | 10 | 10 |
| Commodity Stabilization Service: Acreage allotments and marketing quotas | 41 | 41 | 40 | Civil Service Commission | 20 | 19 | 20 |
| Agricultural Research Service | 28 | 27 | 31 | Selective Service System | 30 | 28 | 32 |
| Other | 4 | 3 | 3 | General Services Administration | 44 | 57 | 61 |

¹ Less than one-half million dollars.

SPECIAL ANALYSIS D—Continued

INVESTMENT, OPERATING, AND OTHER BUDGET EXPENDITURES—Continued

Based on existing and proposed legislation—Continued

[In millions]

| | 1959 actual | 1960 estimate | 1961 estimate | | 1959 actual | 1960 estimate | 1961 estimate |
|--|----------------|------------------|------------------|--|----------------|------------------|------------------|
| OTHER SERVICES AND CURRENT OPERATING EXPENSES—Continued | | | | OTHER SERVICES AND CURRENT OPERATING EXPENSES—Continued | | | |
| Operation and administration of other civil activities—Continued | | | | Operation and administration of other civil activities—Continued | | | |
| Other direct Federal programs—Continued | | | | Shared revenue and grants-in-aid—Continued | | | |
| Treasury Department: Claims, judgments, and relief acts..... | \$25 6 | \$8 7 | \$5 6 | Other agencies..... | \$7 | \$8 | \$8 |
| Other agencies..... | | | | Total shared revenue and grants-in-aid..... | 143 | 170 | 179 |
| Total other direct Federal programs..... | 337 | 337 | 357 | Total operation and administration of other civil activities..... | | | |
| Retirement, unemployment, and accident compensation for Federal employees: | | | | Other major national security operation and administration: | | | |
| Civil Service Commission..... | 2 | 2 | 51 | General Services Administration: Strategic and critical materials..... | 41 | 46 | 41 |
| Department of Labor: | | | | Department of Defense—Military: Military personnel (excluding research and development)..... | 11,578 | 11,732 | 11,913 |
| Employees' compensation claims and expenses..... | 69 | 61 | 65 | Total other major national security operation and administration..... | 11,619 | 11,778 | 11,954 |
| Unemployment compensation for Federal employees..... | 110 | 112 | 112 | Interest: | | | |
| Other..... | 7 | 7 | 7 | On the public debt..... | 7,593 | 9,300 | 9,500 |
| Treasury Department: Coast Guard retired pay and Secret Service annuities..... | 28 | 30 | 30 | Other interest: | | | |
| Other agencies..... | 4 | 4 | 4 | On refunds..... | 69 | 75 | 75 |
| Total retirement, unemployment, and accident compensation for Federal employees..... | 220 | 217 | 270 | On uninvested funds..... | 9 | 9 | 10 |
| Shared revenue and grants-in-aid: | | | | Total other interest..... | 79 | 85 | 85 |
| Funds appropriated to the President: Grants to Alaska..... | | | | Total interest..... | 7,671 | 9,385 | 9,555 |
| Department of Agriculture: Forest Service..... | 23 | 30 | 35 | Total other services and current operating expenses..... | 31,959 | 33,230 | 34,206 |
| Department of the Interior: | | | | ALLOWANCE FOR CONTINGENCIES..... | | 75 | 200 |
| Bureau of Land Management..... | 45 | 52 | 56 | Grand total..... | 80,697 | 78,383 | 79,816 |
| Fish and Wildlife Service..... | 13 | 13 | 13 | | | | |
| Other..... | 9 | 11 | 9 | | | | |
| Treasury Department: Internal revenue collections for Puerto Rico..... | 1 | 20 | 20 | | | | |
| District of Columbia: Federal payment..... | 25 | 25 | 32 | | | | |

SPECIAL ANALYSIS E
FOREIGN CURRENCY AVAILABILITIES AND USES

Many agencies of the Government are engaged in activities throughout the world which may be financed with foreign currencies. From some governmental activities, particularly the sale on concessional terms of surplus agricultural commodities, foreign currencies accrue to the Government without purchase with dollars. In many instances these currencies are restricted in their use by the terms of international agreements. This analysis presents in summary form data on foreign currency availabilities and uses, with special emphasis on those under the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 480), the largest source of currencies with the most complex provisions for their use.

Need for foreign currencies.—The U.S. Government carries on extensive activities abroad, involving almost every country in the world. In the normal course of these worldwide operations, it has need for and it acquires large amounts of currencies of many countries. Some of these currencies are acquired through Government agencies' activities; others must be purchased.

Recent estimates indicate that Government agencies will require about \$2.3 billion of foreign currencies in 1961 to perform their regular operations abroad, as indicated in table 1. The approximate supply of currencies available in the Treasury for sale to agencies in 1961 to meet these regular needs is estimated to approximate \$474 million. However, only about \$130 million of this amount can be used to meet 1961 needs because the availability of currencies of individual countries does not match the needs for the currencies of those countries. This leaves a total of over \$2.1 billion of foreign currencies which will need to be purchased commercially by our disbursing officers.

In 66 of the 83 countries listed in table 1 the approximate supply of currencies available in 1961 is less than our anticipated needs for regular operations, with the result that the United States will have to purchase the currencies of these 66 countries. With respect to total value, over four-fifths of the U.S. agency requirements are concentrated in five countries in which the United States receives foreign currencies in much smaller amounts; namely, Germany, Canada, Japan, France, and the United Kingdom. The preponderance of currencies available to the Treasury for sale to agencies for regular operations is in countries such as India, Israel, Pakistan, Poland, Spain, and Yugoslavia, where our needs are much less.

TABLE 1.—*Requirements and availability of foreign currencies for the payment of U.S. obligations*
[In millions of dollar equivalents]

| Country | Estimated requirements, 1961 | Approximate supply, 1961 ¹ | Residual amounts available for use after 1961 | Residual requirements for purchase of currencies in 1961 |
|-----------------------------|------------------------------|---------------------------------------|---|--|
| Afghanistan | \$1.3 | \$0.5 | | \$0.8 |
| Argentina | 1.3 | 3.3 | \$2.0 | |
| Australia | 2.4 | .1 | | 2.3 |
| Austria | 3.0 | .7 | | 2.3 |
| Belgium | 5.9 | .1 | | 5.8 |
| Belgian oversea territories | .3 | | | .3 |
| Bolivia | .5 | (*) | | .4 |
| Brazil | 3.9 | 8.1 | 4.2 | |
| Burma | 1.1 | 4.1 | 3.0 | |
| Cambodia | 1.5 | (*) | | 1.5 |

TABLE 1.—*Requirements and availability of foreign currencies for the payment of U.S. obligations*—Continued
[In millions of dollar equivalents]

| Country | Estimated requirements, 1961 | Approximate supply, 1961 ¹ | Residual amounts available for use after 1961 | Residual requirements for purchase of currencies in 1961 |
|--------------------------------|------------------------------|---------------------------------------|---|--|
| Canada | \$368.4 | \$0.6 | | \$367.8 |
| Ceylon | .9 | 3.0 | \$2.0 | |
| Chile | 1.0 | .6 | | .4 |
| China, Republic of | 11.7 | 1.8 | | 9.9 |
| Colombia | .7 | 5.2 | 4.5 | |
| Costa Rica | 1.3 | (*) | | 1.2 |
| Cuba | .7 | .3 | | .4 |
| Czechoslovakia | .3 | (*) | | .3 |
| Denmark | 1.5 | (*) | | 1.5 |
| Dominican Republic | .4 | (*) | | .4 |
| Ecuador | .8 | .6 | | .2 |
| El Salvador | .6 | (*) | | .6 |
| Ethiopia | 5.4 | | | 5.4 |
| Finland | .8 | .5 | | .3 |
| France | 136.9 | 1.9 | | 135.0 |
| French oversea territories | .3 | | | .3 |
| Germany | 917.5 | 16.9 | | 900.6 |
| Ghana | .7 | | | .7 |
| Greece | 8.1 | 3.8 | | 4.3 |
| Guatemala | .6 | (*) | | .6 |
| Haiti | .1 | (*) | | (*) |
| Honduras | .5 | .1 | | .4 |
| Hungary | .2 | .7 | .6 | |
| Iceland | 3.6 | .3 | | 3.3 |
| India | 7.2 | 139.9 | 132.6 | |
| Indonesia | .8 | 10.4 | 9.7 | |
| Iran | 5.0 | (*) | | 5.0 |
| Iraq | 1.6 | (*) | | 1.6 |
| Ireland | .3 | .2 | | .1 |
| Israel | 1.7 | 27.3 | 25.6 | |
| Italy | 63.2 | 6.0 | | 57.1 |
| Japan | 314.9 | 5.4 | | 309.4 |
| Jordan | .5 | (*) | | .5 |
| Korea | 35.8 | 4.1 | | 31.8 |
| Laos | .8 | | | .8 |
| Lebanon | 4.3 | (*) | | 4.3 |
| Liberia | (*) | | | (*) |
| Libya | 2.3 | .2 | | 2.1 |
| Luxembourg | .2 | | | .2 |
| Malaya | .9 | | | .9 |
| Mexico | 4.4 | 2.4 | | 2.0 |
| Morocco | 12.1 | 3.7 | | 8.4 |
| Netherlands | 6.3 | 3.9 | | 2.4 |
| New Zealand | 1.3 | (*) | | 1.3 |
| Nicaragua | .2 | (*) | | .2 |
| Norway | 2.0 | .1 | | 2.0 |
| Okinawa | 2.8 | | | 2.8 |
| Pakistan | 5.9 | 28.2 | 22.3 | |
| Paraguay | .2 | .2 | | .1 |
| Peru | .8 | 2.3 | 1.5 | |
| Philippines | 62.1 | 12.3 | | 49.8 |
| Poland | 1.2 | 10.2 | 9.1 | |
| Portugal | 1.5 | .1 | | 1.5 |
| Portuguese oversea territories | 3.6 | .1 | | 3.5 |
| Rumania | .1 | | | .1 |

¹ Excludes restricted currencies which are available only for loans and grants in foreign countries or for specific U.S. agency programs, estimated in total at \$2,935.7 million.

* Less than \$50,000.

SPECIAL ANALYSIS E—Continued

FOREIGN CURRENCY AVAILABILITIES AND USES—Continued

TABLE 1.—*Requirements and availability of foreign currencies for the payment of U.S. obligations*—Continued

(In millions of dollar equivalents)

| Country | Estimated requirements, 1961 | Approximate supply, 1961 ¹ | Residual amounts available for use after 1961 | Residual requirements for purchase of currencies in 1961 |
|------------------------------------|------------------------------|---------------------------------------|---|--|
| Saudi Arabia | \$0.5 | | | \$0.5 |
| Somaliland | .2 | (*) | | .2 |
| Spain | 25.8 | \$70.2 | \$44.4 | |
| Sudan | .4 | .3 | | .1 |
| Sweden | 1.1 | .1 | | 1.0 |
| Switzerland | 1.4 | .1 | | 1.3 |
| Thailand | 3.7 | (*) | | 3.7 |
| Tunisia | .5 | .1 | | .4 |
| Turkey | 3.9 | 33.7 | 29.8 | |
| Union of South Africa | .6 | (*) | | .6 |
| U.S.S.R. | .7 | .1 | | .6 |
| United Kingdom | 183.2 | 1.6 | | 181.6 |
| United Kingdom oversea territories | 12.8 | (*) | | 12.8 |
| United Arab Republic: (Egypt) | 1.8 | 13.0 | 11.2 | |
| (Syria) | .4 | 1.1 | .7 | |
| Uruguay | .4 | 4.2 | 3.8 | |
| Venezuela | 1.4 | .1 | | 1.3 |
| Vietnam | 4.5 | 1.5 | | 3.1 |
| Yugoslavia | .9 | 37.9 | 36.9 | |
| Total | 2,271.8 | 474.5 | 344.2 | 2,141.6 |

¹ Excludes restricted currencies which are available only for loans and grants in foreign countries or for specific U.S. agency programs, estimated in total at \$2,935.7 million.

*Less than \$50,000.

Sources of foreign currencies without purchase with dollars.—Within the limits established by title I of Public Law 480, any agricultural commodity found by the Secretary of Agriculture to be in surplus supply may be sold for foreign currencies, so long as precautions are taken that such sales do not displace normal trade (i.e., regular sales for dollars) or unduly disrupt world market prices. Such sales are covered by intergovernmental agreements which govern the terms of sale including the value of commodities to be purchased, the exchange rate at which payment will be made, the amounts of the sales proceeds which will be reinvested in the purchasing country on a loan or grant basis for economic or common defense purposes, and the amounts which the U.S. Government may use in the country, or possibly elsewhere, for other purposes. The shipment of the commodities is financed by the Commodity Credit Corporation as an extension of its agricultural price support operations. Any dollars received through sale of the currencies to agencies for programs covered by appropriations return to the CCC and reduce the size of the appropriation needed to cover its costs for the commodities shipped.

The Mutual Security Act of 1954, as amended, also includes several provisions under which foreign currencies accrue to the credit of the United States. Section 402 of that act specifies that a certain amount of the mutual security appropriations shall be used only to purchase surplus agricultural commodities for sale to foreign countries for their currencies. Section 505(a) of the act authorizes the sale of any commodities or services for foreign currencies, and section 103(c) of the act authorizes the

sale of military equipment, materials, and services for foreign currencies. These sales are also covered by intergovernmental agreements. However, since the commodities or services sold are supplied as part of the mutual security program and financed by that appropriation, the currency proceeds may be used only for the purposes of that program. These are generally economic development or common defense in the purchasing country, or sometimes in a different, aid recipient country when the purchasing country agrees and can supply needed exports.

The Mutual Security Act also requires a country receiving aid to deposit in a special account an amount of its currency equal to either the local sales value of the non-military commodity aid it receives or to the commensurate value of our dollar aid expenditures. These deposits are called counterpart. Generally, a share of this counterpart, which is usually 10% or less, must be transferred to U.S. Treasury accounts and is available for general United States use. The remaining 90% portion of counterpart funds is owned by the foreign country and remains in its custody for use only for mutual security purposes agreed to by the United States. None of these country-owned currencies is included in the tables herein.

Section 142(a)(9) of the Mutual Security Act also authorizes the receipt of currencies contributed by the foreign government for the local expenses of U.S. military assistance advisory groups abroad.

Other collections of foreign currencies arise from various governmental activities. Under an intergovernmental defense agreement, Japan has agreed to bear a part of the cost of our forces defending that country by contributing yen to assist in meeting some local costs. Sales of U.S. Government surplus property and settlement of World War II lend-lease debts for foreign currencies are authorized under several laws and international agreements. Under the Information and Educational Exchange Act of 1948 (Public Law 402), the U.S. Government (informational media guarantee fund) contracts with American exporters of books, periodicals, and motion pictures to exchange for dollars certain foreign currencies received from sale of such materials. Other currencies are also received in payment for consular services, interest on deposits of currencies in foreign banks, etc.

In addition to the above, some foreign currencies are acquired as loan repayments. Beginning in 1955, for example, the Mutual Security Act authorized repayment of mutual security loans in foreign currencies. Interest and principal repayments are now also beginning on economic development loans made to foreign countries and on loans to private enterprises under Public Law 480. Development Loan Fund loans and interest often may be repaid in the currency of the borrowing country.

In summary, most currencies accruing to the credit of the United States result from past or current international agreements authorized under several laws. In most cases, these international agreements reflect either sales arrangements, wherein commodities (usually surplus agricultural commodities) are sold to a foreign purchaser for currencies, or they reflect loan agreements, wherein dollars or foreign currencies themselves are lent to foreign borrowers and may be repaid in the currency of the borrower. Currencies also become available in much smaller amounts under special international agreements and the normal operations of the U.S. Government abroad.

Table 2 summarizes for 1959, 1960, and 1961 the collections, expenditures, and balances of foreign currencies.

SPECIAL ANALYSIS E—Continued

FOREIGN CURRENCY AVAILABILITIES AND USES—Continued

This table reflects the inflow and outflow of all U.S.-owned foreign currencies. (It excludes foreign currencies held in trust, of which \$35.9 million were on hand at the end of 1959, and currencies obtained by dollar purchase.)

The cash balances carried forward at the end of 1961 are estimated to total \$2.2 billion. Of this amount, approximately \$1.1 billion is estimated to be available for U.S. agency purposes—either for special programs or for general United States use. The remainder is expected to be available under international agreement or under law only for loans and grants in foreign countries.

TABLE 2.—Summary of collections, expenditures, and balances of foreign currencies

[Fiscal years. In millions of dollar equivalents¹]

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|-------------|---------------|---------------|
| Cash balances brought forward (in Treasury and agency accounts): | | | |
| Public Law 480, sales of agricultural commodities (title I)..... | \$1,412.4 | \$1,661.4 | \$1,738.1 |
| Mutual security proceeds of sales of agricultural and other commodities..... | 318.9 | 276.9 | 266.8 |
| Development Loan Fund..... | .3 | .3 | 11.1 |
| Other..... | 51.8 | 105.2 | 132.9 |
| Subtotal..... | 1,783.0 | 2,043.8 | 2,149.4 |
| Collections: | | | |
| Public Law 480, sales of agricultural commodities (title I)..... | 836.9 | 840.5 | 912.5 |
| Mutual security: | | | |
| Proceeds of sales of agricultural and other commodities..... | 220.1 | 150.0 | 160.0 |
| U.S. portion of counterpart deposits..... | 19.9 | 12.7 | 12.7 |
| Other mutual security collections..... | 37.6 | 5.6 | 27.2 |
| Other nonloan collections: | | | |
| Contributions for support of U.S. forces abroad..... | 46.5 | 23.1 | — |
| Surplus property and lend-lease..... | 61.7 | 60.7 | 35.7 |
| Informational media guarantees..... | 7.5 | 7.5 | 7.5 |
| Miscellaneous..... | 31.5 | 51.5 | 47.2 |
| Loan repayments (principal and interest): | | | |
| Development Loan Fund..... | .3 | 11.8 | 25.1 |
| Public Law 480 loans..... | 1.2 | 5.4 | 17.0 |
| Mutual security loans..... | 6.7 | 12.0 | 16.0 |
| Subtotal..... | 1,269.9 | 1,180.9 | 1,260.8 |
| Deduct— | | | |
| Sales for dollars to appropriations and funds: | | | |
| For credit to miscellaneous receipts..... | 150.2 | 128.2 | 73.5 |
| For credit to appropriations and funds..... | 89.8 | 92.6 | 154.3 |
| Expenditures in agency accounts (see table 4)..... | 729.0 | 814.5 | 960.2 |
| Adjustment due to changes in exchange rates..... | -42.3 | -40.0 | -40.0 |
| Other adjustments..... | 2.3 | — | — |
| Cash balances carried forward (in Treasury and agency accounts)..... | 2,043.8 | 2,149.4 | 2,182.2 |

Estimated availability for use of these balances is as follows:

| | | | |
|--|-----------|-----------|-----------|
| Available only for loans or grants in foreign countries..... | \$1,156.2 | \$1,150.4 | \$1,068.3 |
| Available for U.S. purposes..... | 887.7 | 999.0 | 1,113.9 |

¹ Collections at rates specified in loan and sales agreements, except nonloan collections. Nonloan collections, sales, and expenditures at Treasury selling rates.

Table 3 by contrast is not on a cash basis. It indicates amounts owed to the United States at the beginning and end of each of the 3 years 1959–61, which are payable in foreign currencies, even though the payment may not be due until some future year. Loan agreements, for example, provide for repayment over periods up to 40 years. As shown in the table, uncollected balances totaled \$2.1 billion at the end of 1959, and are estimated to rise to \$2.9 billion by the end of 1960 and further to \$3.8 billion by June 30, 1961. The estimated increase reflects largely the effects of loans and other agreements under

Public Law 480, and the expanding loan activity of the Development Loan Fund.

TABLE 3.—Potential availability of foreign currencies (currencies receivable, earnings, and collections)

[Fiscal years. In millions of dollar equivalents¹]

| | 1959 actual | 1960 estimate | 1961 estimate |
|--|-------------|---------------|---------------|
| Uncollected balances, beginning of year: | | | |
| Outstanding loans: | | | |
| Development Loan Fund..... | \$1.5 | \$41.6 | \$172.8 |
| Mutual security program..... | 428.7 | 579.4 | 669.4 |
| Public Law 480..... | 303.2 | 629.3 | 1,038.5 |
| Other agreements: | | | |
| Mutual security program..... | 186.0 | 141.8 | 187.6 |
| Public Law 480..... | 699.0 | 706.5 | 831.0 |
| Surplus property and lend-lease..... | 29.4 | 29.9 | 29.0 |
| Total..... | 1,647.8 | 2,128.6 | 2,928.5 |
| Additions (accruals and earnings) during the year: | | | |
| New loans and interest accrued: | | | |
| Development Loan Fund..... | 40.5 | 142.9 | 260.8 |
| Mutual security program..... | 157.4 | 102.0 | 75.0 |
| Public Law 480..... | 327.3 | 414.6 | 528.3 |
| Other new agreements: | | | |
| Mutual security program..... | 225.9 | 208.6 | 112.0 |
| Public Law 480..... | 899.8 | 1,000.0 | 1,100.0 |
| Surplus property and lend-lease..... | 62.8 | 59.8 | 36.2 |
| Earnings other than under agreements..... | 93.1 | 87.8 | 60.3 |
| Total..... | 1,806.8 | 2,015.8 | 2,172.6 |
| Deduct— | | | |
| Collections during the year (see table 2)..... | 1,269.9 | 1,180.9 | 1,260.8 |
| Other reductions in amounts due..... | 56.1 | 35.0 | 35.0 |
| Uncollected balances, end of year..... | 2,128.6 | 2,928.5 | 3,805.3 |

¹ At rates specified in loan and sales agreements, except surplus property and lend-lease at Treasury selling rates.

Limits on uses of foreign currencies.—The amount of foreign currencies accruing to the credit of the United States is large and is increasing, as tables 2 and 3 illustrate. However, international agreements, and in many cases the nature of the economy on which they are a claim, restrict the use of the greater part of these currencies.

First, sales of agricultural commodities, through which most of the currencies are acquired, are often largely concessional. In these transactions the purchasing country seeks to minimize the real cost of the sales to itself in terms of export of its resources. This practice comes about in part because the sales are generally over and above the amount of exports the United States could sell in the international market on commercial terms (for dollars), and in part because U.S. foreign policy usually has the objective of aiding the economic development of the country involved. As a result, large amounts of currencies acquired by the United States from the sale of farm commodities are restricted by the purchase agreement so they can only be loaned or granted back to the buying country for its economic development. This is true of most of the currency received under the Mutual Security Act and Public Law 480, the two largest sources.

Second, virtually all of the currencies are nonconvertible under the laws and regulations of the purchasing country. This means they cannot be freely used to buy goods in third countries. Neither can they be exchanged for another currency which we may be able to use. Similarly, a country which limits convertibility of its currency is

SPECIAL ANALYSIS E—Continued

FOREIGN CURRENCY AVAILABILITIES AND USES—Continued

usually unwilling to accept its own currency in payment, in any large amount, for exports, which represent a net drain on the country. Indeed the largest amounts of currency accrue in less developed countries where the use of large amounts of local currency for programs which are not of mutual interest might significantly drain scarce resources and result in pressure for increased U.S. aid.

Third, various provisions of law authorize the use of some of these currencies for special U.S. programs without charge to agency appropriations. During the negotiation of international sales agreements, these special uses for U.S. programs sometimes have been indicated to the foreign government, resulting in an informal understanding about their use. Some of the currencies collected must therefore be husbanded and then allocated for these specially authorized programs. In many countries this results in a reduction in currencies that might otherwise have been available to sell to agencies to meet their regular local expenses. This in turn means the United States foregoes Treasury receipts, and in currency shortage countries has the same effect on the Treasury as spending dollars for these specially authorized programs. Wherever possible such restrictions will not be included in future sales agreements.

In large part because of these limitations, the greater part of currency use is not reflected in the budget totals. These transactions, most of which are loans and grants in the foreign country, are summarized in table 4.

Almost all the extra-budgetary expenditures for 1961 projected in table 4 are for loans and grants in foreign countries. Of this amount \$100 million equivalent is for loans by the Export-Import Bank to American enterprises and certain foreign firms for the expansion of private enterprise overseas. These loans derive from the sale of surplus agricultural commodities under title I of Public Law 480, as do \$650 million equivalent of the loans and grants for economic development and the common defense administered by the ICA. In addition, the ICA will use, for similar purposes, \$175 million equivalent derived mainly from the sale of surplus agricultural commodities financed by the mutual security appropriation.

In this regard, it should be pointed out that granting or lending a country its own currency under Public Law 480 and the Mutual Security Act does not provide it with additional external resources as dollar payments do. No labor, capital equipment, and materials are provided which the country did not have before. Additional economic resources from outside a country's borders can only be furnished in the form of goods or dollars or other convertible currencies to be used for the purchase of goods. Thus, a country's own currencies are not a substitute for dollars in the mutual security or other assistance program for that country.

As indicated below, it is proposed that U.S. agency foreign currency programs be covered by appropriations, starting in 1961. However, \$34.9 million equivalent of the estimated expenditures for 1961 indicated in table 4 for U.S. agency programs outside appropriations derive from funds allocated in 1960 and previous years under permanent authority for such use without further congressional action for mutual security exports and military family housing.

TABLE 4.—*Summary of transactions in agency accounts for use of currencies without dollar appropriation*

[Fiscal years. In thousands of dollar equivalents]

| Program and Financing | 1959 actual | 1960 estimate | 1961 estimate |
|---|-------------|---------------|---------------|
| Programs: | | | |
| 1. Loan and grant programs under Public Law 480: | | | |
| Mutual security program..... | \$857,371 | \$750,000 | \$800,000 |
| Export-Import Bank of Washington..... | 23,403 | 80,200 | 135,200 |
| 2. U.S. agency programs under Public Law 480: | | | |
| Mutual security program exports..... | 11,940 | 13,578 | ----- |
| United States Information Agency..... | 3,273 | 5,042 | ----- |
| Department of Agriculture..... | 6,554 | 30,794 | ----- |
| Department of Defense..... | 16,515 | 24,734 | ----- |
| Department of State..... | 5,870 | 7,337 | ----- |
| 3. Mutual security program..... | 258,682 | 146,579 | 165,000 |
| 4. Development Loan Fund..... | ----- | 500 | 5,000 |
| 5. Department of State..... | 400 | ----- | ----- |
| Total obligations..... | 1,184,008 | 1,058,764 | 1,105,200 |
| Financing: | | | |
| Unobligated balance brought forward (-)..... | -1,459,957 | -1,227,488 | -1,318,270 |
| Recoveries of prior year obligations (-)..... | -137 | ----- | ----- |
| Adjustment due to changes in exchange rates..... | 10,019 | 137 | ----- |
| Unobligated balance carried forward..... | 1,227,488 | 1,318,270 | 1,322,777 |
| Unobligated balance no longer available..... | 11,542 | 1,781 | ----- |
| Unobligated balance transferred to appropriations..... | ----- | 35,076 | ----- |
| Dollar value credited to appropriations or funds..... | 1,261 | 5,561 | 2,693 |
| Authorizations to expend foreign currency receipts..... | 974,224 | 1,192,096 | 1,112,400 |
| Authorizations are distributed as follows: | | | |
| For loans and grants in foreign countries..... | \$921,850 | \$1,123,000 | \$1,112,000 |
| For U.S. purposes..... | 52,374 | 69,096 | 400 |
| Analysis of Expenditures | | | |
| Obligated balance, start of year..... | \$216,898 | \$669,789 | \$880,677 |
| Obligations incurred during year (net)..... | 1,183,871 | 1,058,764 | 1,105,200 |
| Adjustment of prior year obligations..... | -1,378 | ----- | ----- |
| Adjustment due to changes in exchange rates..... | -610 | -416 | ----- |
| Obligated balance, end of year, trans- ferred to appropriations..... | ----- | -32,978 | ----- |
| Obligated balance, end of year..... | -669,789 | -880,677 | -1,025,676 |
| Expenditures..... | 728,991 | 814,482 | 960,200 |
| Expenditures are distributed as follows: | | | |
| 1. Loan and grant programs under Public Law 480: | | | |
| Mutual security program..... | \$421,736 | \$550,000 | \$650,000 |
| Export-Import Bank of Wash- ington..... | 11,189 | 45,000 | 100,000 |
| 2. U.S. agency programs under Public Law 480: | | | |
| Mutual security program exports..... | 7,350 | 6,330 | 11,821 |
| United States Information Agency..... | 1,215 | 4,009 | ----- |
| Department of Agriculture..... | 4,836 | 12,315 | 5 |
| Department of Defense..... | 14,891 | 28,800 | 23,084 |
| Department of State..... | 5,303 | 7,766 | ----- |
| 3. Mutual security program..... | 262,071 | 160,062 | 174,690 |
| 4. Development Loan Fund..... | ----- | 150 | 600 |
| 5. Department of State..... | 400 | ----- | ----- |

SPECIAL ANALYSIS E—Continued

FOREIGN CURRENCY AVAILABILITIES AND USES—Continued

Informational tables on currency uses which are not reflected in the budget totals are included in the budget document accompanying the information on related programs.

Congressional review of foreign currency uses.—Currencies received by the United States in the course of its operations are available for general sale by the Treasury to Federal agencies for meeting any foreign currency costs of agency programs, unless there is a specific provision of law or international agreement prohibiting or limiting the use of the currencies. Normally, when an agency requires foreign currencies to carry out its activities, it must, by Treasury regulation, seek to buy such currencies from the Treasury Department. If that Department has the specifically requested currencies available, it sells them to the agency by charging the agency's appropriations accordingly. If the particular foreign currencies required are not available, they must be purchased through banking channels.

The currencies sold by the Treasury come from many sources including the U.S. share of mutual security counterpart funds and of Public Law 480 sales proceeds, contributions of foreign governments to the administrative expenses of the military advisory assistance groups, the receipts of the informational media guarantee fund derived from the sale of U.S. publications abroad, interest on deposits of currency funds, the disposal of surplus property, and similar operations.

All currencies purchased by agencies from the Treasury with their regular dollar appropriations or with special appropriations provided to purchase the currencies are reflected in the budget as dollar receipts and expenditures. The dollar proceeds from Treasury sales are either credited to the miscellaneous receipts of the Treasury, or to various revolving funds or appropriations as authorized by law. Public Law 480 requires the dollar proceeds from sale of Public Law 480 currencies to be credited to the Commodity Credit Corporation. Sales of currencies received from the operations of the informational media guarantee fund are credited to that fund, and currencies obtained through the sale of military equipment under the Mutual Security Act are credited to the military assistance appropriation.

Prior to July 1953, except for a relatively small amount in the custody of the Treasury Department, most currencies were held by the Federal agencies administering the intergovernmental agreements under which the currencies were obtained. These currencies generally were not subject to the same fiscal and budgetary controls which govern the dollar funds of the Government, i.e., use of the currencies was not subject to regular appropriation processes and there was some doubt as to the applicability of the usual rules for accountability.

The Congress recognized the need for a better system of control over the foreign currencies. This led to the en-

actment of section 1415 of the Supplemental Appropriation Act of 1953, which provides that "foreign credits owed to or owned by the U.S. Treasury will not be available for expenditure after June 30, 1953, except as may be provided for annually in appropriation acts." A general appropriation act provision, which has been annually enacted since 1954, states that U.S.-owned currencies may be used for program purposes carried on by an appropriation if such use is charged to the appropriation. Under this provision, expenditure of foreign currencies has been controlled by including in the regular dollar appropriations of Federal agencies sums sufficient for the purchase from Treasury of foreign currencies needed for their programs.

Major exceptions to section 1415 have been authorized by the Congress in recent years. Most of the currencies derived from the sale of surplus agricultural commodities abroad have been made available by statute for expenditure for particular purposes without reimbursement to the Treasury from agency dollar appropriations. This is the situation with respect to those currencies received under section 402 of the Mutual Security Act and most of those received under title I of Public Law 480. In addition, currencies obtained under sections 505(a) and 103(c) of the Mutual Security Act of 1954 may be used for mutual security purposes.

Repayments of Development Loan Fund loans in foreign currencies are available for relending by the Development Loan Fund. Public Law 480 loan repayments may be used for educational exchange programs and agricultural market development abroad. Amounts not so used may be made available to sell to agencies to meet their regular program needs in accordance with section 1415.

There is always a cost to the American taxpayer of specially authorized programs which tends to be hidden by extra budgetary authorizations. In the relatively few countries where currencies are available considerably in excess of regular program needs, the cost to the United States is no more than the value of the goods and services for which the currencies were obtained. This may also be true where the use of the currencies has been restricted by international agreement, e.g., proceeds from the sale of surplus farm commodities available only for loans, grants, or other specified purposes. In currency shortage countries, the disbursing officer must purchase currencies to meet regular agency needs. To the extent that specially authorized uses of these same currencies drain off amounts otherwise available to reduce the requirement for commercial purchases these uses cost dollars.

Also, so long as specially authorized currency programs remain outside the budget, the agency's program is expanded without any apparent increase in its budget and

SPECIAL ANALYSIS E—Continued

FOREIGN CURRENCY AVAILABILITIES AND USES—Continued

the Commodity Credit Corporation or other agency which financed the source of the currencies remains charged with the cost of another agency's program supplementation.

Recommendations for 1961.—It is proposed that beginning in 1961 all currency uses for U.S. agency operations be covered by appropriations. These would generally be unrestricted dollar appropriations under which needed currencies could be purchased from the Treasury if available, from outside sources if not. This is now the case for the salaries and expenses of regular departmental programs overseas which use currencies. For

those situations where currencies are available in the Treasury in excess of amounts needed for regular operations, or where the use of currencies is restricted by international agreement or understanding, special appropriations are proposed for foreign currency programs. These special appropriations are limited to the purchase of excess or restricted currencies. It is expected in future years, as restrictions in international agreements are avoided on U.S. uses of foreign currencies, that these special foreign currency programs will generally be limited to the few countries where excess currencies are available.

TABLE 5.—*Planned uses in 1961 of uncommitted proceeds of title I, Public Law 480, sales agreements signed or approved for negotiation through Sept. 15, 1959, under proposed special appropriations*

[In thousands of dollar equivalents at Treasury selling rates]

| (1) | (2) | (3) | United States Information Agency | | Department of Agriculture | | | | (10) |
|--------------------------------------|-------|-------|----------------------------------|-------|---------------------------|---------|-------|---------|---------|
| | | | (4) | (5) | (6) | (7) | (8) | (9) | |
| Excess currencies: | | | | | | | | | |
| India..... | \$754 | \$100 | \$787 | \$300 | \$1,398 | ----- | \$50 | \$1,060 | \$1,812 |
| Israel..... | 375 | 730 | 300 | ----- | 140 | ----- | 140 | 1,080 | 1,320 |
| Pakistan..... | 31 | ----- | ----- | ----- | 789 | ----- | ----- | 710 | 367 |
| Poland..... | 203 | 500 | ----- | 50 | 240 | ----- | 150 | 1,901 | 743 |
| United Arab Republic (Egypt)..... | 217 | 100 | 175 | ----- | 145 | ----- | ----- | 202 | ----- |
| Yugoslavia..... | 410 | 170 | 400 | ----- | 203 | ----- | 184 | 866 | 275 |
| Undistributed..... | ----- | ----- | ----- | ----- | 1,485 | ----- | 720 | ----- | ----- |
| Total excess currencies..... | 2,051 | 1,600 | 1,662 | 350 | 4,400 | ----- | 1,244 | 6,419 | 4,517 |
| Nonexcess currencies: | | | | | | | | | |
| Argentina..... | ----- | ----- | ----- | ----- | 15 | ----- | ----- | ----- | ----- |
| Austria..... | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| Brazil..... | ----- | ----- | ----- | ----- | 522 | ----- | 325 | 761 | 83 |
| Burma..... | ----- | ----- | ----- | ----- | 338 | ----- | ----- | 255 | 17 |
| Ceylon..... | ----- | ----- | ----- | ----- | 53 | ----- | 200 | 180 | ----- |
| China, Republic of..... | 100 | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| Colombia..... | ----- | ----- | 25 | 702 | 443 | ----- | 350 | 900 | ----- |
| Ecuador..... | ----- | ----- | ----- | ----- | 19 | ----- | ----- | ----- | ----- |
| France..... | ----- | ----- | ----- | ----- | 590 | ----- | ----- | ----- | ----- |
| Greece..... | ----- | ----- | ----- | ----- | 234 | ----- | 112 | ----- | ----- |
| Indonesia..... | ----- | ----- | ----- | 500 | 302 | ----- | ----- | 314 | 23 |
| Italy..... | ----- | ----- | ----- | ----- | 858 | ----- | ----- | ----- | ----- |
| Korea..... | ----- | ----- | ----- | ----- | 79 | ----- | ----- | ----- | ----- |
| Mexico..... | ----- | ----- | ----- | ----- | 1,077 | ----- | ----- | ----- | ----- |
| Peru..... | ----- | ----- | ----- | ----- | 310 | ----- | 20 | ----- | ----- |
| Philippines..... | ----- | ----- | ----- | ----- | 76 | ----- | ----- | ----- | ----- |
| Portugal..... | ----- | ----- | ----- | ----- | 32 | ----- | ----- | ----- | ----- |
| Spain..... | 515 | ----- | ----- | ----- | 1,221 | ----- | 50 | 1,382 | 328 |
| Turkey..... | ----- | ----- | ----- | ----- | 79 | ----- | ----- | 100 | ----- |
| United Kingdom..... | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | 12 |
| Uruguay..... | ----- | ----- | 24 | 130 | 73 | ----- | 510 | 1,760 | 20 |
| Vietnam..... | ----- | ----- | ----- | 100 | ----- | ----- | 280 | ----- | ----- |
| Undistributed..... | ----- | ----- | ----- | ----- | 2,835 | \$1,000 | ----- | ----- | ----- |
| Total nonexcess currencies..... | 615 | ----- | 49 | 1,432 | 9,222 | 1,000 | 1,847 | 5,622 | 483 |
| Total..... | 2,666 | 1,600 | 1,711 | 1,782 | 13,622 | 1,000 | 3,000 | 12,041 | 8,000 |

SPECIAL ANALYSIS E—Continued

FOREIGN CURRENCY AVAILABILITIES AND USES—Continued

It is also proposed that unexpended balances of previous authorizations to spend foreign currencies for U.S. programs for which new authorizations are recommended in 1961 be converted to appropriations as of June 30, 1960, except for military family housing. It is estimated that these balances will total \$68.1 million, of which \$33.2 million represents balances of previous allocations and determinations by the Secretary of State for educational exchange.

No change is recommended in the authorizations for use without regard to section 1415 of currencies committed

by international agreement to loans or grants in the country. These uses do not add to the resources of the country and do not substitute for dollars in any sense. They are similar to the country-owned counterpart funds not covered by this analysis.

Table 5 shows by country the proposed new appropriations for special foreign currency programs for 1961. \$39.3 million are proposed for use of excess currencies in India, Israel, Pakistan, Poland, the United Arab Republic (Egypt), and Yugoslavia. \$33.6 million are proposed for use of restricted currencies in 23 other countries.

TABLE 5.—*Planned uses in 1961 of uncommitted proceeds of title I, Public Law 480, sales agreements signed or approved for negotiation through Sept. 15, 1959, under proposed special appropriations*—Continued

[In thousands of dollar equivalents at Treasury selling rates]

| Department of Defense: Military family housing (Public Law 765) | Department of Health, Education, and Welfare: Research (sec. 104(k)) | Department of the Interior: Research (sec. 104(k)) | Department of State | | | | | Total | |
|---|--|--|---------------------|-------|-------|-------|----------|--------|----------------------------------|
| | | | (14) | (15) | (16) | (17) | (18) | | |
| (11) | (12) | (13) | | | | | | (19) | |
| \$2,135 | \$876 | \$2,050 | \$330 | \$309 | \$700 | \$195 | \$13,456 | | Excess currencies: |
| 290 | 238 | | | | | 55 | 4,668 | | India. |
| 758 | 631 | 200 | 150 | 116 | | 120 | 3,872 | | Israel. |
| 212 | 1,131 | 950 | | 97 | | | 6,237 | | Pakistan. |
| | | | | | | | | | Poland. |
| 370 | 456 | | | 36 | 500 | 120 | 2,321 | | United Arab Republic (Egypt). |
| 500 | 1,076 | | | 60 | | 75 | 4,219 | | Yugoslavia. |
| \$2,242 | 114 | | | | | | 4,562 | | Undistributed. |
| 2,242 | 4,266 | 4,522 | 3,200 | 480 | 618 | 1,200 | 565 | 39,335 | Total excess currencies. |
| | | | | | | | | | Nonexcess currencies: |
| | | | | | | | | | Argentina. |
| 226 | | 600 | | 25 | | 152 | 152 | | Austria. |
| 50 | | | 120 | 145 | 250 | 195 | 2,737 | | Brazil. |
| | | | | 30 | | 69 | 1,244 | | Burma. |
| | | | | | | 63 | 496 | | Ceylon. |
| | | | | | | | | | China, Republic of. |
| 3 | | | | 28 | 997 | 189 | 3,637 | | Colombia. |
| | | | | | | | | | Ecuador. |
| | | | | | 214 | | | | France. |
| | | | | | | | | | Greece. |
| | | | | | | | | | Indonesia. |
| 148 | | 300 | 150 | 30 | 200 | 69 | 2,096 | | Italy. |
| | | | | | | | | | Korea. |
| | | | | | | | | | Mexico. |
| | | | | | | | | | Peru. |
| | | | | | | | | | Philippines. |
| | | | | | | | | | Portugal. |
| 2,408 | 435 | | | 28 | 220 | 75 | 6,662 | | Spain. |
| 3,692 | | | | | 360 | | 4,231 | | Turkey. |
| 658 | | | | 10 | | 24 | 704 | | United Kingdom. |
| | | | | | | | | | Uruguay. |
| | | | 750 | 29 | 324 | 57 | 3,677 | | Vietnam. |
| | | | | 28 | | 18 | 146 | | Undistributed. |
| | | | | | | | 4,114 | | |
| 6,758 | 427 | 435 | 1,650 | 270 | 853 | 2,565 | 911 | 33,639 | Total nonexcess currencies. |
| 9,000 | 4,693 | 4,957 | 4,850 | 750 | 970 | 3,764 | 1,476 | 72,973 | Total. |

SPECIAL ANALYSIS E—Continued

FOREIGN CURRENCY AVAILABILITIES AND USES—Continued

All of these currencies are proceeds of the sale of surplus agricultural commodities under Public Law 480.

It is generally difficult to predict the size and the location of future sales of surplus agricultural commodities covering these currencies, as well as the share of the proceeds to be available for U.S. uses, due to the uncertainties of agricultural production, both here and abroad, and the often unforeseeable results of sales negotiations. Therefore, it is not feasible to develop programs on the basis of a forecast of future sales agreements.

The programs proposed, as shown in table 5, have been developed on the basis of the actual and anticipated proceeds of sales agreements signed or approved for negotiation through September 15, 1959. Generally, the early deposits under a sales agreement are made available for U.S. uses. Thus, it is anticipated that sales proceeds will be on hand under these sales agreements in sufficient amount to cover these proposed programs prior to the time the obligations need to be made.

All of the amounts shown on table 5 and subsequent tables are the dollar equivalents of actual and anticipated foreign currency sums. In table 5, the dollar equivalents are computed at the June 30, 1959, exchange rates at which the Treasury was selling foreign currencies to agencies for their use abroad. These rates are generally the most advantageous rates at which the currencies may be legally obtained, and thus provide a valuation which is on a comparable basis with dollar expenditures for U.S. programs in the country. The sales agreements, however, provide for the payment of foreign currencies at a rate specified in the agreement (usually based on rates applicable to that country's imports). The total payment is equal to the dollar value at world market prices of the agricultural commodities and ocean freight involved. The dollar equivalents for the value of the sales agreements and for the past uses are included in tables 6, 7, 8, and 9 at the exchange rates indicated in the agreements. The necessary adjustment between these two sets of exchange rates for the balances which are available for programming purposes (\$102 million equivalent) is indicated on table 6. Table 7 shows the balances by country at both rates.

In arriving at the amounts shown in table 5, the share of sales proceeds which could be used for the payment of U.S. obligations abroad was identified. Generally this was the maximum amount which could be used for this purpose under the sales agreements and the informal understandings accompanying them. These amounts, together with agreement commitments for loans and grants and past allocations, were then subtracted from agreement totals, as indicated in table 6. Eligible agencies were then notified of the remaining amounts of foreign currencies to be available in each country, and were requested to prepare budget submissions indicating the currencies that

could advantageously be used for authorized programs. These submissions were reviewed in a manner similar to the review of regular agency dollar budgets. The recommendations developed are indicated in table 5. The country amounts are based on the best information currently available. While some modifications may become necessary, it is not expected that the availability of currencies will permit carrying out programs in countries other than those indicated. The proposed amounts for agricultural market development which are undistributed by country are in anticipation of amounts to be derived from future sales agreements which may be used in third countries.

Availability of Public Law 480 currencies.—As indicated in table 6, sales agreements from the inception of title I (Public Law 480) through September 15, 1959, totaled

TABLE 6.—*Amounts available and proposed authorizations of sales proceeds of title I, Public Law 480, sales agreements signed or approved for negotiation through Sept. 15, 1959*

| [In thousands of dollar equivalents] | |
|--|-------------|
| Value of sales agreements (table 7)..... | \$4,001,289 |
| Less amount of sales proceeds committed for— | |
| Loans and grants in purchasing country (table 8)..... | 2,790,586 |
| Treasury sales to appropriations and funds (table 7): | |
| For section 104(k) scientific activities ¹ | 6,063 |
| For general expenses of the United States..... | 594,321 |
| Other purposes (table 9)..... | 286,320 |
| Unallocated balance as of June 30, 1960, at rates specified in sales agreements..... | 323,999 |
| Less adjustment due to exchange rate differentials..... | 102,092 |
| Unallocated balance at Treasury selling rates..... | 221,907 |
| Less proposed appropriations to purchase foreign currencies (table 5)..... | 72,973 |
| Remaining unallocated balance for use after 1961..... | 148,934 |

¹ At Treasury selling rates, the dollar equivalent of these currencies is equal to the 1959 appropriation of \$5.1 million.

\$4 billion, adjusted in several cases for shortfalls in deliveries of the commodities. Commitments of \$2.8 billion for loans and grants under these agreements and authorizations for other uses, including Treasury sales, have reduced the amount available for 1961 programs to the equivalent of \$324 million at the exchange rate specified in the sales agreements, or \$222 million at Treasury selling rates.

The tables which follow are designed to provide greater detail on the activities in various countries involving the use of foreign currencies under Public Law 480. Tables 7 and 8 show by country the value of the sales agreements signed or approved for negotiation through September 15, 1959, the amounts allocated to the Treasury for sale to appropriations and funds for the payment of U.S. obligations and the amounts committed for loans and grants. Table 9 shows by country the amounts allocated, or to be allocated, to other agencies for authorized programs.

SPECIAL ANALYSIS E—Continued
FOREIGN CURRENCY AVAILABILITIES AND USES—Continued

TABLE 7.—*Cumulative sales agreements by country under title I, Public Law 480, signed or approved for negotiation through Sept. 15, 1959, uses by major category, and estimated balances available*

[In thousands of dollar equivalents]

| Country (1) | At rates specified in sales agreements | | | | | Estimated unallocated balances June 30, 1960, available for U.S. agency programs | |
|-----------------------------------|--|---|---|--|---|--|-------------------------------------|
| | Total value of sales agree- ments (2) | Commitments for loans and grants in purchasing country (3) | Allocations and reservations for Treasury sale (and credit to CCC) through June 30, 1960 | | Estimated authorizations for other U.S. agency pro- grams through June 30, 1960 (6) | At rates speci- fied in sales agreements (7) | At Treasury selling rates (8) |
| | | | For general expenses (4) | For sec. 104(k) scientific activities (5) | | | |
| Argentina..... | \$29,331 | \$18,231 | \$9,850 | ----- | \$1,146 | \$104 | \$22 |
| Austria..... | 40,940 | 26,328 | 2,095 | ----- | 12,313 | 204 | 206 |
| Brazil..... | 178,407 | 148,072 | 21,478 | ----- | 5,226 | 3,631 | 3,015 |
| Burma..... | 58,700 | 46,050 | 6,638 | ----- | 2,372 | 3,640 | 3,666 |
| Ceylon..... | 21,000 | 16,380 | 2,462 | ----- | 975 | 1,183 | 1,189 |
| Chile..... | 38,863 | 30,961 | 5,831 | ----- | 2,071 | ----- | ----- |
| China, Republic of..... | 34,819 | 24,419 | 8,750 | ----- | 1,549 | 100 | 100 |
| Colombia..... | 69,874 | 51,434 | 10,172 | ----- | 4,144 | 4,124 | 4,124 |
| Ecuador..... | 9,337 | 7,230 | 1,067 | ----- | 1,018 | 22 | 19 |
| Finland..... | 37,323 | 24,730 | 2,989 | \$712 | 8,329 | 563 | 566 |
| France..... | 33,245 | 7,824 | 5,285 | ----- | 13,131 | 7,005 | 6,037 |
| Germany..... | 1,197 | ----- | 120 | ----- | 1,077 | ----- | ----- |
| Greece..... | 65,857 | 47,770 | 14,480 | ----- | 3,151 | 456 | 458 |
| Iceland..... | 8,045 | 6,451 | 1,364 | ----- | 209 | 21 | 14 |
| India..... | 897,000 | 750,450 | 89,702 | 516 | 28,670 | 27,662 | 28,175 |
| Indonesia..... | 137,000 | 111,600 | 19,104 | ----- | 2,621 | 3,675 | 2,664 |
| Iran..... | 12,415 | 8,267 | 2,817 | ----- | 1,331 | ----- | ----- |
| Israel..... | 130,176 | 110,930 | 10,421 | 1,285 | 2,261 | 5,279 | 5,279 |
| Italy..... | 152,900 | 106,750 | 18,254 | ----- | 25,343 | 2,553 | 2,569 |
| Japan..... | 146,332 | 105,581 | 305 | ----- | 32,872 | 7,574 | 7,574 |
| Korea..... | 164,871 | 136,490 | 23,391 | ----- | 3,151 | 1,839 | 1,839 |
| Mexico..... | 28,200 | 20,700 | 2,900 | ----- | 3,520 | 1,080 | 1,080 |
| Netherlands..... | 253 | ----- | 25 | ----- | 228 | ----- | ----- |
| Pakistan..... | 271,450 | 212,040 | 27,238 | 324 | 5,569 | 26,279 | 26,652 |
| Paraguay..... | 3,000 | 2,250 | 559 | ----- | 191 | ----- | ----- |
| Peru..... | 21,980 | 15,706 | 3,536 | ----- | 2,317 | 421 | 349 |
| Philippines..... | 14,400 | 9,300 | 2,993 | ----- | 1,781 | 326 | 326 |
| Poland..... | 182,000 | ----- | 18,200 | 1,730 | 7,710 | 154,360 | 67,357 |
| Portugal..... | 7,081 | 3,400 | 1,601 | ----- | 2,043 | 37 | 38 |
| Spain..... | 392,594 | 206,208 | 144,214 | 204 | 34,198 | 7,770 | 6,662 |
| Thailand..... | 4,600 | 2,050 | 971 | 10 | 1,569 | ----- | ----- |
| Turkey..... | 186,508 | 98,436 | 74,598 | 150 | 8,635 | 4,689 | 4,232 |
| United Arab Republic (Egypt)..... | 125,117 | 80,167 | 15,326 | 153 | 4,403 | 25,068 | 26,039 |
| United Kingdom..... | 48,596 | ----- | 221 | 326 | 47,347 | 702 | 704 |
| Uruguay..... | 47,200 | 35,450 | 4,740 | ----- | 1,443 | 5,567 | 4,051 |
| Vietnam..... | 10,900 | 8,100 | 1,870 | ----- | 597 | 333 | 333 |
| Yugoslavia..... | 389,778 | 310,831 | 38,754 | 653 | 11,809 | 27,731 | 16,569 |
| Total..... | 4,001,289 | 2,790,586 | 594,321 | 6,063 | 286,320 | 323,999 | 221,907 |

SPECIAL ANALYSIS E—Continued
FOREIGN CURRENCY AVAILABILITIES AND USES—Continued

TABLE 8.—*Cumulative commitments for loans and grants in purchasing country in title I, Public Law 480, sales agreements signed or approved for negotiation through Sept. 15, 1959*

[In thousands of dollar equivalents at rates specified in sales agreements]

| Country (1) | Common defense assistance grants (sec. 104(c)) (2) | Economic development grants (sec. 104(e)) (3) | Private enterprise loans (sec. 104(e)) (4) | Economic development loans (sec. 104(g)) (5) | Total (6) |
|-----------------------------------|---|--|---|---|--------------|
| Argentina..... | | | | \$18,231 | \$18,231 |
| Austria..... | | | | 26,328 | 26,328 |
| Brazil..... | | | | 148,072 | 148,072 |
| Burma..... | \$6,000 | \$1,800 | 38,250 | 46,050 | |
| Ceylon..... | 3,060 | 5,260 | 8,060 | 16,380 | |
| Chile..... | | | | 30,961 | 30,961 |
| China, Republic of..... | \$13,000 | | 6,000 | 5,419 | 24,419 |
| Colombia..... | | | 11,270 | 40,164 | 51,434 |
| Ecuador..... | | | 460 | 6,770 | 7,230 |
| Finland..... | | | 2,059 | 22,670 | 24,729 |
| France..... | | | 7,824 | | 7,824 |
| Greece..... | | 7,470 | 2,900 | 37,400 | 47,770 |
| Iceland..... | | | 765 | 5,686 | 6,451 |
| India..... | | 185,300 | 85,850 | 479,300 | 750,450 |
| Indonesia..... | 14,280 | 14,200 | 10,000 | 73,120 | 111,600 |
| Iran..... | 5,763 | | | 2,503 | 8,267 |
| Israel..... | | | 19,827 | 91,103 | 110,930 |
| Italy..... | | | 6,250 | 100,500 | 106,750 |
| Japan..... | | | | 105,581 | 105,581 |
| Korea..... | 134,490 | | 2,000 | | 136,490 |
| Mexico..... | | | 7,100 | 13,600 | 20,700 |
| Pakistan..... | 79,260 | 12,860 | 29,260 | 90,660 | 212,040 |
| Paraguay..... | | | | 2,250 | 2,250 |
| Peru..... | | | 1,963 | 13,744 | 15,706 |
| Philippines..... | 3,100 | | 1,000 | 5,200 | 9,300 |
| Portugal..... | | | | 3,400 | 3,400 |
| Spain..... | 9,910 | | | 196,298 | 206,208 |
| Thailand..... | | | | 2,050 | 2,050 |
| Turkey..... | 62,714 | | 12,980 | 22,742 | 98,436 |
| United Arab Republic (Egypt)..... | | | 26,500 | 53,667 | 80,167 |
| Uruguay..... | | | 11,750 | 23,700 | 35,450 |
| Vietnam..... | 5,400 | | 2,700 | | 8,100 |
| Yugoslavia..... | | 106,010 | | 204,821 | 310,831 |
| Total..... | 327,917 | 334,900 | 255,518 | 1,872,250 | 2,790,586 |
| Loans..... | | | 255,518 | 1,872,250 | 2,127,768 |
| Grants..... | 327,917 | 334,900 | | | 662,817 |

SPECIAL ANALYSIS E—Continued
FOREIGN CURRENCY AVAILABILITIES AND USES—Continued

TABLE 9.—*Cumulative authorizations, other than appropriations, through June 30, 1960, for U.S. agency programs overseas under title I, Public Law 480, sales agreements signed or approved for negotiation through Sept. 15, 1959*

[In thousands of dollar equivalents at rates specified in sales agreements]

| Country | Mutual security program: Exports to third countries (sec. 104(d)) | United States Information Agency | | Department of Agriculture | | | | Department of Defense | | Department of State | | | Total authorizations | | |
|------------------------------|--|---|--|--|--|---|--|------------------------------------|---|--|--|--|----------------------|---------|--------|
| | | Publications programs (sec. 104(i)) | Binational centers (sec. 104(j)) | Market development (sec. 104(a)) | Utilization research (sec. 104(a)) | Special obligations (sec. 104(f)) | Agricultural fairs (sec. 104(m)) | Joint projects (sec. 104(c)) | Military family housing (Public Law 765) | Expenses under sec. 502(b) Mutual Security Act, 1954 (sec. 104(f)) | Educational exchange (sec. 104(h)) | American-sponsored schools (sec. 104(j)) | | | |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) | (14) | | |
| Argentina | | | | \$436 | | | | | | \$10 | \$700 | | \$1,146 | | |
| Austria | \$806 | \$75 | \$40 | 1,040 | | | | | | \$9,702 | 200 | \$450 | 12,313 | | |
| Brazil | | 330 | 186 | 1,519 | | | | | | 10 | 1,765 | 310 | 5,226 | | |
| Burma | | 251 | 500 | 529 | | | | | | | 1,092 | | 2,372 | | |
| Ceylon | | 100 | | 127 | | | | | | | 748 | | 975 | | |
| Chile | | | | 773 | | | | | | 88 | 10 | 1,200 | 2,071 | | |
| China, Republic of | | | | | | | | | | | | 1,549 | 1,549 | | |
| Colombia | | 111 | 242 | 1,208 | | | | | | 61 | 10 | 2,031 | 4,143 | | |
| Ecuador | | | 125 | 298 | | | | | | | 5 | 315 | 1,018 | | |
| Finland | 3,691 | 789 | | 256 | \$750 | \$104 | | | | 1,350 | 5 | 1,384 | 8,329 | | |
| France | 4,744 | 250 | | 2,349 | 1,190 | | | | | | | 3,898 | 700 | 13,131 | |
| Germany | | | | 1,077 | | | | | | | | | | 1,077 | |
| Greece | | 250 | 500 | 1,401 | | | | | | | | | 1,000 | 3,151 | |
| Iceland | | | | | | | 61 | | | | | | 148 | 209 | |
| India | 15,383 | 1,675 | 115 | 2,502 | 1,685 | 50 | \$1,114 | | | | | 6,146 | | 28,670 | |
| Indonesia | | 1,101 | | 339 | 690 | | | | | | | 491 | | 2,621 | |
| Iran | | 140 | 250 | 196 | | | | | | | | 745 | | 1,331 | |
| Israel | 100 | | | 1,459 | 680 | | | | | | 22 | | | 2,261 | |
| Italy | 10,000 | 501 | 155 | 2,949 | 2,503 | | | | | | | 298 | 1,000 | 25,343 | |
| Japan | 10,589 | | | 3,264 | | | | | | | 17,000 | 10 | 2,009 | 32,872 | |
| Korea | | 100 | 23 | 128 | | | | | | | 2,000 | | 900 | 3,151 | |
| Mexico | | | 400 | 1,270 | | | | | | | | 1,200 | 500 | 3,520 | |
| Netherlands | | | | 228 | | | | | | | | | | 228 | |
| Pakistan | | 397 | 150 | 861 | 604 | 50 | | | | | | 3,506 | | 5,568 | |
| Paraguay | | | | | 41 | | | | | | | | 150 | 191 | |
| Peru | | 100 | 123 | 989 | | | | | | | 10 | 787 | 208 | 2,317 | |
| Philippines | | | | 428 | | | | | | | | 753 | 600 | 1,781 | |
| Poland | | | | 626 | 6,969 | 115 | | | | | | | | 7,710 | |
| Portugal | | | | 240 | | | | | | | | 1,500 | 300 | 2,043 | |
| Spain | | 97 | 500 | 3,184 | 1,249 | | | | | | | 26,721 | 2,448 | 34,199 | |
| Thailand | | 100 | 270 | 604 | | | | | | | | 7 | 589 | 1,570 | |
| Turkey | | 400 | 874 | 779 | 820 | | | | | | | 1,306 | 2,521 | 8,635 | |
| United Arab Republic (Egypt) | | 173 | | 110 | 630 | | | | | | | | 2,990 | 500 | 4,403 |
| United Kingdom | | | | 303 | 3,120 | | | | | | | 43,924 | | 47,347 | |
| Uruguay | | | 194 | 36 | | | | | | | | | 1,213 | | 1,443 |
| Vietnam | | 199 | 99 | | | | | | | | | | 299 | | 597 |
| Yugoslavia | | 300 | | 1,825 | 6,302 | | | | | | | | 1,382 | | 11,809 |
| Total | | 45,313 | 7,439 | 4,746 | 33,333 | 27,233 | 380 | 1,264 | 1,355 | 113,440 | 102 | 43,757 | 7,958 | 286,320 | |

SPECIAL ANALYSIS F
SELECTED INVESTMENTS AND INTERFUND TRANSACTIONS
BY AGENCY AND ACCOUNT TITLE
[In thousands]

| Description | 1959 actual | 1960 estimate | 1961 estimate |
|--|-------------|---------------|---------------|
| PUBLIC ENTERPRISE FUNDS | | | |
| Investments in Government securities: | | | |
| Independent offices: | | | |
| Federal Home Loan Bank Board: Federal Savings and Loan Insurance Corporation fund..... | \$16,650 | \$50,000 | \$57,000 |
| Veterans Administration: Veterans special-term insurance fund..... | 17,897 | 18,836 | 20,200 |
| Housing and Home Finance Agency: | | | |
| Federal National Mortgage Association: Management and liquidating functions fund (debentures issued and redeemed by Federal Housing Administration, net)..... | 14,260 | ----- | * 6,000 |
| Federal Housing Administration fund..... | 53,083 | 92,300 | 113,433 |
| Total investments in Government securities..... | 101,890 | 161,136 | 184,633 |
| Issuance (-) and redemption (+) of debt to the public: | | | |
| Independent offices: | | | |
| Farm Credit Administration: Federal Farm Mortgage Corporation fund..... | +26 | +25 | +25 |
| Federal Home Loan Bank Board: Home Owners' Loan Corporation fund..... | +44 | +40 | +40 |
| Tennessee Valley Authority: Tennessee Valley Authority fund..... | | | -115,000 |
| Housing and Home Finance Agency: | | | |
| Federal Housing Administration fund !..... | -9,864 | -5,440 | +9,379 |
| Federal National Mortgage Association: Management and liquidating functions fund..... | +6,420 | +21 | ----- |
| Total issuance (-) and redemption (+) of debt to the public..... | -3,374 | -5,354 | -105,556 |
| Net increase (-) or decrease (+) in cash balances due to debt and investment transactions of public enterprise funds..... | +98,516 | +155,782 | +79,077 |
| TRUST FUNDS | | | |
| Investments in Government securities: | | | |
| Legislative branch: Library of Congress trust fund principal accounts..... | | • \$16 | |
| The judiciary: Judicial survivors annuity fund..... | \$104 | 236 | \$170 |
| Independent offices: | | | |
| Civil Service Commission: | | | |
| Civil service retirement and disability fund..... | 956,229 | 811,000 | 771,533 |
| Employees health benefits fund..... | 57,978 | 43,312 | 42,800 |
| Employees life insurance fund..... | 3 • 99,520 | ----- | |
| Farm Credit Administration: Operating fund, Federal intermediate credit banks..... | 3,977 | • 3,027 | |
| National Capital Housing Authority: Operation and maintenance, etc..... | • 35,349 | 244,396 | 71,146 |
| Railroad Retirement Board: Railroad retirement account..... | | | |
| Veterans Administration: | | | |
| General post fund..... | • 669 | • 64 | |
| National service life insurance fund..... | 76,229 | 85,000 | 104,000 |
| U.S. Government life insurance fund..... | • 16,881 | • 16,950 | • 14,400 |
| General Services Administration: National archives trust fund..... | 102 | ----- | |
| Housing and Home Finance Agency: Federal National Mortgage Association: Secondary market operations (trust revolving fund)..... | • 1 | ----- | |
| Department of Agriculture: Farmers Home Administration: State rural rehabilitation funds..... | 2,594 | • 616 | • 500 |
| Department of Commerce: | | | |
| Bureau of Public Roads: Highway trust fund..... | • 393,012 | • 429,214 | |
| Maritime activities: | | | |
| United States Merchant Marine Academy, donations for chapel and library funds..... | • 45 | • 542 | |
| Federal ship mortgage insurance escrow fund..... | | 60,027 | 35,886 |
| Department of Defense—Military: | | | |
| Army trust funds..... | 1 | ----- | |
| Navy trust funds..... | 63 | ----- | |
| Air Force general gift fund..... | | 5 | |
| Department of the Interior: Bureau of Indian Affairs trust funds..... | 100 | ----- | |
| Department of Labor: Bureau of Employees' Compensation trust funds..... | • 42 | • 50 | • 40 |
| Department of State: Foreign Service retirement and disability fund..... | 2,164 | 2,684 | 2,620 |
| Treasury Department: | | | |
| Office of the Secretary: | | | |
| Federal disability insurance trust fund..... | 552,416 | 517,186 | 475,600 |
| Federal old-age and survivors' insurance trust fund..... | • 1,289,759 | • 1,011,745 | • 33,316 |
| Unemployment trust fund..... | • 1,011,180 | • 87,696 | 304,950 |
| Pershing Hall memorial fund..... | 12 | ----- | |
| Bureau of Accounts trust funds..... | • 98 | • 3,172 | • 253 |
| District of Columbia: | | | |
| Miscellaneous trust fund deposits..... | 3 | 7 | 5 |
| Redevelopment program, Redevelopment Land Agency..... | 1,143 | • 4,165 | |
| Teachers' retirement and annuity fund..... | 2,166 | 1,734 | 1,474 |
| Investment accounts..... | • 24,069 | ----- | |
| Total investments or redemptions in Government securities..... | • 1,215,339 | 208,330 | 1,769,157 |

* Deduct, excess of sales and redemptions over investments.

* Includes redemption of \$99,935 thousand due to reclassification to a deposit fund on

! Includes net issuances of debentures to Federal National Mortgage Association of January 1, 1959.
\$14,260 thousand in 1959 and estimated net redemptions of \$6,000 thousand in 1961.

SPECIAL ANALYSIS F—Continued
SELECTED INVESTMENTS AND INTERFUND TRANSACTIONS—Continued
BY AGENCY AND ACCOUNT TITLE—Continued
[In thousands]

| Description | 1959 actual | 1960 estimate | 1961 estimate |
|---|-------------|---------------|---------------|
| TRUST FUNDS—Continued | | | |
| Issuance (—) and redemption (+) of debt to the public: | | | |
| Independent offices: Farm Credit Administration: Operating fund, Federal intermediate credit banks..... | +\$57,540 | | |
| Housing and Home Finance Agency: Federal National Mortgage Association: Secondary market operations (trust revolving fund)..... | -124,940 | -\$979,875 | -\$800,000 |
| Total issuance (—) and redemption (+) of debt to the public..... | -67,400 | -979,875 | -800,000 |
| Net decrease (+) or increase (—) in cash balances due to trust fund debt and investment transactions..... | -1,282,739 | -771,545 | 969,157 |
| CAPITAL TRANSFERS FROM REVOLVING FUNDS TO THE GENERAL FUND | | | |
| Legislative branch: Government Printing Office: Government Printing Office revolving fund: Payment of earnings to Treasury..... | \$4,539 | \$3,700 | \$3,725 |
| Independent offices: | | | |
| Civil Service Commission: Investigations (revolving fund): Payment of earnings and repayment of capital to Treasury..... | 5 | 7 | |
| Export-Import Bank of Washington: | | | |
| Export-Import Bank of Washington fund: Payment of dividend to Treasury..... | 22,500 | 22,500 | 22,500 |
| Liquidation of certain Reconstruction Finance Corporation assets: | | | |
| Payment of profits to Treasury..... | 1 | | |
| Repayment of investment to Treasury..... | 9 | 6 | 1,256 |
| Farm Credit Administration: Federal Farm Mortgage Corporation fund: Payment of dividend to Treasury..... | 2,100 | 1,700 | 1,700 |
| Federal Home Loan Bank Board: Federal Savings and Loan Insurance Corporation fund: | | | |
| Payment of return on capital stock to Treasury..... | 765 | | |
| Repayment of capital stock to Treasury..... | 24,801 | | |
| National Capital Housing Authority: Operation and maintenance of properties revolving fund: Payment of rental receipts to Treasury..... | | | 2 |
| Small Business Administration: Reconstruction Finance Corporation liquidation fund: Repayment of investment to Treasury..... | 6,000 | 4,500 | 1,300 |
| Tennessee Valley Authority: | | | |
| Power program: | | | |
| Dividend return to Treasury on appropriation investment..... | | | 39,000 |
| Repayment of investment to Treasury..... | | | 10,000 |
| Nonpower programs: Repayment of investment to Treasury..... | 1,915 | | 2,000 |
| Veterans Administration: | | | |
| Canteen service revolving fund: Payment of profits to Treasury..... | 851 | 465 | 26 |
| Rental, maintenance, and repair of quarters: Payment of profits to Treasury..... | 7 | 6 | 1 |
| Supply fund: Payment of earnings to Treasury..... | 33 | | |
| General Services Administration: | | | |
| Real property activities: | | | |
| Cost of maintenance, repair, etc., of improvements, public buildings: Payment of profits to Treasury..... | 662 | | |
| Maintenance, etc., Lafayette Building, Washington, D.C., public buildings: Payment of profits to Treasury..... | 40 | | |
| Buildings management fund: Payment of earnings to Treasury..... | 398 | 1,100 | 1,000 |
| Personal property activities: General supply fund: Payment of earnings to Treasury..... | 2,172 | 2,532 | 2,500 |
| Defense materials activities: Abaca fiber program: Repayment of investment to Treasury..... | 3,500 | 3,255 | |
| General activities: | | | |
| Federal Facilities Corporation fund: Repayment of investment to Treasury..... | 5,000 | 1,600 | 1,700 |
| Reconstruction Finance Corporation liquidation fund: Repayment of investment to Treasury..... | 1,392 | 3,600 | |
| Working capital fund: Payment of earnings to Treasury..... | 10 | 10 | 5 |
| Housing and Home Finance Agency: | | | |
| Office of the Administrator: | | | |
| Revolving fund (liquidating programs): Repayment of investment to Treasury..... | 28,000 | 180,000 | 2,000 |
| Community disposal operations fund: Repayment of investment to Treasury..... | 20,000 | 12,000 | 7,000 |
| Public Housing Administration: Low rent public housing program fund: Payment of property receipts to Treasury..... | 521 | 153 | 478 |
| Department of Commerce: | | | |
| General administration: | | | |
| Aviation war risk insurance revolving fund: Payment of profits to Treasury..... | | | 21 |
| Defense production guarantees: Payment of profits to Treasury..... | | | 6 |
| Working capital fund: Payment of earnings to Treasury..... | | | 42 |
| National Bureau of Standards: Working capital fund: Payment of earnings to Treasury..... | 20 | 248 | 35 |
| Department of Defense—Military: | | | |
| Defense housing, Army: Payment of profits to Treasury..... | 750 | 450 | 275 |
| Defense housing, Navy: | | | |
| Payment of profits to Treasury..... | 75 | 150 | 125 |
| Repayment of investments to Treasury..... | 375 | | |
| Air Force industrial fund: Payment of earnings to Treasury..... | 8,000 | 1,644 | |
| Army management fund: Payment of profits to Treasury..... | | 800 | 800 |
| Department of Health, Education, and Welfare: Social Security Administration: Operating fund, Bureau of Federal Credit Unions: | | | |
| Repayment of investment to Treasury..... | 50 | 50 | |
| Department of the Interior: | | | |
| Bureau of Reclamation: | | | |
| Continuing fund for emergency expenses, Fort Peck project, Montana: Repayment of investment to Treasury..... | 1,129 | 1,885 | 2,151 |
| Upper Colorado River Basin fund: Payment of profits to Treasury..... | 3 | 3 | 2 |
| Office of Territories: Loans to private trading enterprises, Trust Territory of the Pacific Islands: Repayment of investment to Treasury..... | | | |
| Total, capital transfers from revolving funds to the general fund..... | 200 | | |
| Department of Justice: Federal Prison Industries, Inc.: Payment of dividend to Treasury..... | 4,000 | 4,000 | 4,000 |
| Treasury Department: Reconstruction Finance Corporation liquidation fund: Repayment of investment to Treasury..... | 12,375 | 9,198 | 9,955 |
| Total, capital transfers from revolving funds to the general fund..... | 152,198 | 255,610 | 113,557 |

SPECIAL ANALYSIS G

HISTORICAL COMPARISON OF BUDGET RECEIPTS AND EXPENDITURES BY FUNCTION

FISCAL YEARS 1952 THROUGH 1961

Based on existing and proposed legislation

[In millions]

| Description | Actual | | | | | | | | Estimate | |
|--|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| | 1952 | 1953 | 1954 | 1955 | 1956 | 1957 | 1958 | 1959 | 1960 | 1961 |
| BUDGET RECEIPTS | | | | | | | | | | |
| Individual income taxes..... | \$27,913 | \$30,108 | \$29,542 | \$28,747 | \$32,188 | \$35,620 | \$34,724 | \$36,719 | \$40,306 | \$43,706 |
| Corporation income taxes..... | 21,225 | 21,238 | 21,101 | 17,861 | 20,880 | 21,167 | 20,074 | 17,309 | 22,200 | 23,500 |
| Excise taxes..... | 8,851 | 9,868 | 9,945 | 9,131 | 9,929 | 9,055 | 8,612 | 8,504 | 9,100 | 9,523 |
| Employment taxes ¹ | 256 | 274 | 283 | 579 | 322 | 328 | 333 | 321 | 333 | 340 |
| Estate and gift taxes..... | 818 | 881 | 934 | 924 | 1,161 | 1,365 | 1,393 | 1,333 | 1,470 | 1,620 |
| Customs..... | 533 | 596 | 542 | 585 | 682 | 735 | 782 | 925 | 1,176 | 1,376 |
| Miscellaneous receipts ¹ | 1,794 | 1,859 | 2,309 | 2,562 | 3,004 | 2,760 | 3,200 | 3,160 | 4,015 | 3,935 |
| Total, budget receipts..... | 61,391 | 64,825 | 64,655 | 60,390 | 68,165 | 71,029 | 69,117 | 68,270 | 78,600 | 84,000 |
| BUDGET EXPENDITURES | | | | | | | | | | |
| Major national security: | | | | | | | | | | |
| 061 Military defense..... | 38,899 | 43,611 | 40,336 | 35,532 | 35,791 | 38,439 | 39,062 | 41,233 | 40,945 | 40,995 |
| 066 Development and control of atomic energy..... | 1,670 | 1,791 | 1,895 | 1,857 | 1,651 | 1,990 | 2,268 | 2,541 | 2,675 | 2,689 |
| 067 Stockpiling and defense production expansion..... | 966 | 1,008 | 1,045 | 944 | 588 | 490 | 625 | 312 | 230 | 134 |
| 068 Military assistance..... | 2,442 | 3,954 | 3,629 | 2,292 | 2,611 | 2,352 | 2,187 | 2,340 | 1,800 | 1,750 |
| Total, major national security..... | 43,976 | 50,363 | 46,904 | 40,626 | 40,641 | 43,270 | 44,142 | 46,426 | 45,650 | 45,568 |
| International affairs and finance: | | | | | | | | | | |
| 151 Conduct of foreign affairs..... | 142 | 150 | 130 | 121 | 120 | 157 | 173 | 237 | 210 | 250 |
| 152 Economic and technical development..... | 2,584 | 1,960 | 1,511 | 1,960 | 1,613 | 1,683 | 1,910 | 3,403 | 1,714 | 1,824 |
| 153 Foreign information and exchange activities..... | 99 | 106 | 91 | 100 | 111 | 133 | 149 | 139 | 141 | 169 |
| Total, international affairs and finance..... | 2,826 | 2,216 | 1,732 | 2,181 | 1,843 | 1,973 | 2,231 | 3,780 | 2,066 | 2,242 |
| Veterans services and benefits: | | | | | | | | | | |
| 101 Veterans education and training..... | 1,326 | 659 | 546 | 664 | 767 | 774 | 699 | 574 | 445 | 316 |
| 102 Other veterans readjustment benefits..... | 122 | 138 | 158 | 150 | 123 | 126 | 168 | 177 | 123 | 124 |
| 103 Veterans compensation and pensions..... | 2,178 | 2,420 | 2,482 | 2,681 | 2,798 | 2,870 | 3,104 | 3,275 | 3,407 | 3,840 |
| 104 Veterans insurance and servicemen's indemnities..... | 216 | 102 | 100 | 57 | 105 | 47 | 43 | 35 | 36 | 31 |
| 105 Veterans hospitals and medical care..... | 784 | 757 | 782 | 727 | 788 | 801 | 856 | 921 | 966 | 990 |
| 106 Other veterans services and administration..... | 238 | 223 | 188 | 178 | 176 | 175 | 156 | 193 | 180 | 169 |
| Total, veterans services and benefits..... | 4,863 | 4,298 | 4,256 | 4,457 | 4,756 | 4,793 | 5,026 | 5,174 | 5,157 | 5,471 |
| Labor and welfare: | | | | | | | | | | |
| 211 Labor and manpower..... | 275 | 281 | 277 | 328 | 475 | 400 | 458 | 844 | 415 | 435 |
| 212 Public assistance..... | 1,180 | 1,332 | 1,439 | 1,428 | 1,457 | 1,558 | 1,797 | 1,969 | 2,056 | 2,087 |
| 213 Promotion of public health..... | 330 | 318 | 290 | 275 | 351 | 469 | 546 | 704 | 850 | 904 |
| 214 Promotion of education..... | 177 | 291 | 274 | 325 | 281 | 292 | 319 | 468 | 549 | 565 |
| 215 Promotion of science, research, libraries, and museums..... | 39 | 34 | 33 | 53 | 56 | 71 | 72 | 119 | 221 | 220 |
| 216 Correctional and penal institutions..... | 21 | 27 | 26 | 28 | 31 | 32 | 34 | 39 | 46 | 48 |
| 217 Other welfare services and administration..... | 146 | 143 | 146 | 136 | 169 | 201 | 221 | 279 | 304 | 310 |
| Total, labor and welfare..... | 2,168 | 2,426 | 2,485 | 2,575 | 2,821 | 3,022 | 3,447 | 4,421 | 4,441 | 4,569 |
| Agriculture and agricultural resources: | | | | | | | | | | |
| 351 Stabilization of farm prices and farm income..... | 46 | 2,125 | 1,689 | 3,486 | 3,900 | 3,430 | 3,151 | 5,126 | 3,499 | 3,950 |
| 352 Financing farm ownership and operation..... | 272 | 109 | 256 | 236 | 231 | 227 | 239 | 250 | 241 | 229 |
| 353 Financing rural electrification and rural telephones..... | 243 | 239 | 217 | 204 | 217 | 267 | 297 | 315 | 334 | 355 |
| 354 Conservation and development of agricultural land and water resources..... | 340 | 319 | 252 | 290 | 305 | 374 | 448 | 547 | 740 | 765 |
| 355 Research, and other agricultural services..... | 144 | 142 | 142 | 173 | 215 | 227 | 255 | 291 | 298 | 325 |
| Total, agriculture and agricultural resources..... | 1,045 | 2,936 | 2,557 | 4,388 | 4,867 | 4,525 | 4,389 | 6,529 | 5,113 | 5,623 |
| Natural resources: | | | | | | | | | | |
| 401 Conservation and development of land and water resources..... | 1,140 | 1,234 | 1,056 | 935 | 803 | 925 | 1,138 | 1,183 | 1,288 | 1,440 |
| 402 Conservation and development of forest resources..... | 95 | 107 | 117 | 119 | 139 | 163 | 174 | 201 | 223 | 222 |
| 403 Conservation and development of mineral resources..... | 35 | 38 | 37 | 37 | 38 | 62 | 59 | 71 | 66 | 64 |
| 404 Conservation and development of fish and wildlife..... | 30 | 34 | 38 | 43 | 45 | 51 | 60 | 68 | 70 | 71 |
| 405 Recreational use of natural resources..... | 33 | 30 | 33 | 35 | 44 | 59 | 69 | 86 | 87 | 87 |
| 409 General resource surveys and administration..... | 32 | 34 | 35 | 34 | 35 | 38 | 43 | 60 | 53 | 53 |
| Total, natural resources..... | 1,366 | 1,477 | 1,316 | 1,202 | 1,105 | 1,297 | 1,544 | 1,669 | 1,755 | 1,938 |

¹ Includes Railroad Unemployment Insurance Act receipts in 1952.² Includes taxes not otherwise classified.

SPECIAL ANALYSIS G—Continued

HISTORICAL COMPARISON OF BUDGET RECEIPTS AND EXPENDITURES BY FUNCTION—Continued

FISCAL YEARS 1952 THROUGH 1961—Continued

Based on existing and proposed legislation—Continued

[In millions]

| Description | Actual | | | | | | | | Estimate | |
|--|--------|--------|--------|--------|--------|--------|--------|---------|----------|--------|
| | 1952 | 1953 | 1954 | 1955 | 1956 | 1957 | 1958 | 1959 | 1960 | 1961 |
| BUDGET EXPENDITURES—Continued | | | | | | | | | | |
| Commerce and housing: | | | | | | | | | | |
| 510 Promotion of water transportation..... | \$420 | \$455 | \$370 | \$349 | \$420 | \$365 | \$392 | \$436 | \$537 | \$559 |
| 511 Provision of highways..... | 470 | 572 | 586 | 647 | 783 | 40 | 31 | 30 | 45 | 3 |
| 512 Promotion of aviation..... | 169 | 161 | 186 | 179 | 180 | 219 | 315 | 494 | 627 | 750 |
| 513 Space exploration and flight technology..... | 67 | 79 | 90 | 74 | 71 | 76 | 89 | 145 | 325 | 600 |
| 514 Postal service..... | 740 | 659 | 312 | 356 | 463 | 518 | 674 | 774 | 604 | 49 |
| 515 Community development and facilities..... | 15 | 45 | 37 | 56 | 4 | 49 | 78 | 108 | 237 | 204 |
| 516 Public housing programs..... | 148 | 29 | -401 | -115 | 31 | 60 | 51 | 97 | 130 | 148 |
| 517 Other aids to housing..... | 511 | 413 | -142 | 270 | 19 | -60 | 228 | 1,085 | 224 | 78 |
| 518 Other aids to business..... | -169 | -111 | -330 | -404 | -83 | 59 | 115 | 139 | 149 | 178 |
| 519 Regulation of commerce and finance..... | 190 | 137 | 45 | 38 | 41 | 45 | 49 | 58 | 58 | 64 |
| 520 Civil and defense mobilization..... | 34 | 53 | 63 | 45 | 58 | 65 | 66 | 46 | 56 | 68 |
| 521 Disaster insurance, loans, and relief..... | 28 | 12 | 1 | 12 | 43 | 21 | 21 | 8 | 8 | 8 |
| Total, commerce and housing..... | 2,624 | 2,504 | 817 | 1,504 | 2,030 | 1,455 | 2,109 | 3,421 | 3,002 | 2,709 |
| General government: | | | | | | | | | | |
| 601 Legislative functions..... | 50 | 49 | 49 | 60 | 77 | 90 | 88 | 102 | 121 | 146 |
| 602 Judicial functions..... | 30 | 29 | 29 | 31 | 38 | 40 | 44 | 47 | 50 | 53 |
| 603 Executive direction and management..... | 13 | 9 | 8 | 10 | 9 | 9 | 10 | 12 | 13 | 14 |
| 604 Federal financial management..... | 438 | 442 | 449 | 431 | 475 | 476 | 502 | 566 | 560 | 591 |
| 605 General property and records management..... | 232 | 185 | 155 | 164 | 164 | 194 | 239 | 291 | 384 | 432 |
| 606 Central personnel management and employment costs..... | 368 | 387 | 93 | 115 | 334 | 627 | 140 | 205 | 198 | 251 |
| 607 Civilian weather services..... | 26 | 28 | 26 | 25 | 34 | 38 | 39 | 46 | 52 | 5 |
| 608 Protection services and alien control..... | 176 | 147 | 160 | 157 | 188 | 187 | 199 | 216 | 218 | 229 |
| 609 Territories and possessions, and the District of Columbia..... | 50 | 55 | 53 | 67 | 72 | 77 | 75 | 89 | 96 | 126 |
| 610 Other general government..... | 79 | 140 | 213 | 139 | 238 | 51 | 20 | 30 | 20 | 12 |
| Total, general government..... | 1,463 | 1,472 | 1,235 | 1,199 | 1,630 | 1,790 | 1,359 | 1,606 | 1,711 | 1,911 |
| Interest: | | | | | | | | | | |
| 651 Interest on the public debt..... | 5,853 | 6,504 | 6,382 | 6,370 | 6,787 | 7,244 | 7,607 | 7,593 | 9,300 | 9,500 |
| 652 Interest on refunds of receipts..... | 76 | 75 | 83 | 62 | 54 | 57 | 74 | 70 | 75 | 75 |
| 653 Interest on uninvested funds..... | 5 | 5 | 5 | 5 | 6 | 6 | 8 | 9 | 9 | 10 |
| Total, interest..... | 5,934 | 6,583 | 6,470 | 6,438 | 6,846 | 7,308 | 7,689 | 7,671 | 9,385 | 9,585 |
| Allowance for contingencies..... | -857 | | | | | | | | 75 | 200 |
| Adjustment to daily Treasury statement basis..... | | | | | | | | | | |
| Total, budget expenditures..... | 65,408 | 74,274 | 67,772 | 64,570 | 66,540 | 69,433 | 71,936 | 80,697 | 78,383 | 79,816 |
| Budget surplus (+) or deficit (-)..... | -4,017 | -9,449 | -3,117 | -4,180 | +1,626 | +1,596 | -2,819 | -12,427 | +217 | +4,184 |
| MEMORANDUM | | | | | | | | | | |
| Capital transfers from revolving funds to the general fund..... | \$268 | \$265 | \$364 | \$695 | \$391 | \$225 | \$143 | \$152 | \$256 | \$114 |
| Investments of revolving funds in U.S. securities..... | 101 | 79 | -77 | 126 | 101 | 36 | 91 | 102 | 161 | 185 |

NOTE.—Special analysis C identifies agencies with expenditures currently included in each category; the chapter summary for each agency shows the functional classification for each account.

Changes made in the functional classification from the 1960 budget are set forth on the following page.

Changes in the functional classification from the 1960 budget to the 1961 budget

1. CHANGES IN CATEGORIES

| Classification in 1960 budget | Classification in 1961 budget | Description of change |
|---|--|---|
| Commerce and housing: | | |
| 511 Promotion of water transportation----- | 510 Promotion of water transportation----- | Renumbered. |
| 512 Provision of highways----- | 511 Provision of highways----- | Renumbered. |
| 513 Promotion of aviation and space flight----- | 512 Promotion of aviation----- 513 Space exploration and flight technology----- | {Former subfunction divided into two subfunctions to provide a separate category for activities of the National Aeronautics and Space Administration. |

2. CHANGES IN CLASSIFICATION OF ACCOUNTS

| Account | Classification in 1960 budget | Classification in 1961 budget |
|---|--|--|
| Housing and Home Finance Agency: Liquidating programs revolving fund, Office of Administrator (change made only for 1959, 1960, and 1961). | 516 Public housing programs----- | 517 Other aids to housing. |
| Department of Defense—Civil: All accounts for Ryukyu Islands, Army. | 152 Economic and technical development----- | 609 Territories and possessions, and the District of Columbia. |
| Legislative branch: Books for the blind, Library of Congress. Department of Health, Education, and Welfare: All accounts for Gallaudet College, Education of the blind, American Printing House for the Blind. | 217 Other welfare services and administration. | 214 Promotion of education. |
| Department of Agriculture: Payments due counties, submarginal land program, Farm Tenant Act, Forest Service. | 354 Conservation and development of agricultural land and water resources. | 402 Conservation and development of forest resources. |
| Department of State: Administrative expenses, mutual security. | 151 Conduct of foreign affairs----- | 152 Economic and technical development. |



